STATEMENT OF ADDITIONAL INFORMATION (SAI)

This Statement of Additional Information (SAI) contains details of Lakshya Mutual Fund, its constitution, and certain legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document).

Name of Mutual Fund	Name of Asset Management Company	Name of Trustee Company
Lakshya Mutual Fund **SEBI No.: MF/091/26/17** 03rd Floor, Commerce House – 4, 100 Feet Road, Anand Nagar, Ahmedabad – 380 015, Gujarat, India.	**Lakshya Asset Management Pvt. Ltd.** **CIN- U66301GJ2025PTC164007** 03rd Floor, Commerce House – 4, 100 Feet Road, Anand Nagar, Ahmedabad – 380 015, Gujarat, India.	**Lakshya Trustee Private Limited** **CIN- U66301GJ2025PTC164351** 03rd Floor, Commerce House – 4, 100 Feet Road, Anand Nagar, Ahmedabad – 380 015, Gujarat, India.
Website www.lakshyafunds.com	**Email** info@lakshyafunds.com	**Toll Free No.:** 1800 570 3330

This Statement of Additional Information is dated 27 July 2026.

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I. INFORMATION ABOUT SPONSOR, TRUSTEES AND ASSET MANAGEMENT COMPANY

A. Constitution of the Mutual Fund

Lakshya Mutual Fund (the "Mutual Fund") has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) as per the terms of the Deed of Trust dated October 30, 2025, with Wealth First Portfolio Managers Limited as the Sponsor and Lakshya Trustee Private Limited as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Mutual Fund was registered with SEBI on March 25, 2026, under Registration Code MF/091/26/17.

No amendments to the Trust Deed shall be carried out without the prior approval of SEBI and unitholders approval would be obtained where it affects the interests of the unitholders.

B. Sponsor

Lakshya Mutual Fund is sponsored by Wealth First Portfolio Managers Limited. The Sponsor is the settlor of the Mutual Fund Trust. As per the Trust Deed, the Sponsor has entrusted a sum of Rs. 1,00,000/- (Rupees One Lakh Only) to Lakshya Trustee Private Limited (the Trustee Company) as the initial contribution towards the corpus of the Mutual Fund.

Wealth First Portfolio Managers Limited, formerly known as DSFS Securities and Broking Private Limited, was incorporated on April 2002. In May 2003, the Company underwent a rebranding and became Wealth First Portfolio Managers Private Limited. In September 2015, the Company was listed and transformed into a Public Limited Company. Mr. Ashish Shah serves as the Group Managing Director. The Company's headquarter is located in Ahmedabad, Gujarat. Wealth First Portfolio Managers Limited is a client-centric, product-agnostic, and independent wealth management firm dedicated solely to wealth management. Company offers smart investment solutions through end-to-end handholding. As an individual financial advisor with no sub-brokers, Company ranked 33rd at the all-India level. Wealth First Group, with over two decades of experience, has successfully distributed fixed income products such as FDs, Treasury Bonds, and Tax-free Bonds. They also excel in distributing Mutual Funds, PMS, and Pension Products.

Financial Performance of the Sponsor (past three years):

Particulars	2025-2026	2024-2025	2023-2024
Net worth	150,81,12,955.18	127,36,59,847.71	117,40,66,361.78
Total Income	69,10,00,464.50	58,96,25,631.72	66,48,32,067.82
Profit after Tax (PAT)	40,22,98,358.19	33,70,62,823.80	42,37,61,743.24
Asset under Management (if applicable)	11,373.5 crore	10,867.3 crore	9751.9 crore

Note: Above numbers are standalone numbers of the Sponsor

C. The Trustee

Lakshya Trustee Private Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as Trustee of Lakshya Mutual Fund. The Trustee ensures that the transactions entered into by the Investment Manager/Asset Management Company (Lakshya Asset Management Private Limited) comply with the SEBI (Mutual Funds) Regulations, 2026. Additionally, the Trustee will review the activities carried out by the AMC.

Details of Trustee Directors:

Name	Age	Qualifications	Brief Experience
Jayshree Vyas (Chairperson and	72	B. Com, CA	Currently the Managing Director of Shri Mahila Sewa Sahakari Bank Limited (SEWA Bank), Ahmedabad. Ms. Jayshree is a trailblazer in

Independent Director)			the realm of inclusive finance for low-income women. Since 1986, she has been a guiding force within SEWA Bank. Prior to her tenure at SEWA Bank, Ms. Jayshree held the position of financial analyst at the Central Bank of India. Beyond her Banking expertise, Ms. Jayshree serves as the Managing Trustee of the Indian School of Microfinance for Women. She has been a pioneering figure in the fields of savings, insurance, rural finance, energy loans, and financial literacy for low-income women.
Mukesh Arya (Independent Director)	69	FCMA, LL.B., B. Com, CIA, CFE, IA&AS (R)	Mukesh is serving as the President of the ACFE India Chapter since June 2025, after previously holding the roles of Treasurer & Director of Training from January 2010 to June 2025, and is the Managing Director of Red Flag Oversight Consultancy Services Private Limited since October 2009. He is also an Independent Director on the Executive Board of the African Capacity Building Foundation, a position that started in June 2024. Previously, he served as an Independent Director at HUDCO from January 2016 to December 2018, contributed pro bono as an Independent Member of the World Health Organization (WHO) IEOAC from January 2014 to January 2018, and as an Independent Member of the WIPO IAOC from January 2017 to January 2023, where chaired the Committee.
Rajheev Agarwal (Independent Director)	62	CA, CS and LL.B.	Founder of Majha Ghar Foundation, Rajheev brings a wealth of experience from his past positions at ITC Limited, Nilon's Enterprises Private Limited, Anil Startch Limited, Fashion FX, and Hindustan Unilever. His varied skill set highlights his proficiency in multiple professional areas. He has been honored with several awards, such as the Outstanding CEO Award from VLCC, Outstanding Social Service Award from RELFOR Foundation, and the Social Citizen Par Excellence from ICAI, Dubai. Furthermore, he held the role of Director and CEO of Nilon's Enterprises Private Limited from March 15, 2004, to June 14, 2021.
Hena Shah (Associate Director)	60	B. Sc (Micro Biology)	With 31 years of experience in leading financial administration, planning, and budgeting, Ms. Hena has honored her skills in identifying, assessing, and informing the Board of Directors about internal and external issues that impact the organization. She represents the organization at community activities to enhance its community profile. Additionally, she oversees the planning, implementation, execution, and evaluation of special projects. Her primary focus is on meeting and exceeding the needs of internal and external clients by anticipating, understanding, and responding to their expectations within the organizational parameters.

Rights and Obligations of the Trustees

The rights and obligations of the Trustees shall be governed by Regulation 12, 13 and 14 of the SEBI (Mutual Funds) Regulations, 2026, as amended from time to time.

Supervisory Role of the Trustee

The Trustee's supervisory role will be discharged, among other duties, by reviewing the information and operations of the Mutual Fund based on the internal audit reports and compliance reports received periodically. The Board Meeting of the Trustee shall be held at least once every quarter, and a minimum of four such meetings shall be held annually or at such frequency as prescribed under the Regulations. The quorum for a Board meeting of the Trustee shall not be constituted unless the required number of Independent Directors, as prescribed under SEBI (Mutual Fund) Regulations, 2026 are present at the meeting.

The Board of Directors of the Trustee has established an Audit Committee and a Risk Committee, both chaired by Independent Directors. The Audit Committee meets periodically to discuss internal control systems, the scope of the internal auditors' audit, and their observations. They also review the annual financial accounts. Any recommendations made by the Audit Committee regarding financial management, among other matters, are considered during the subsequent Board Meeting of the AMC and the Trustee.

Trusteeship Fees

Pursuant to the Trust Deed constituting the Fund, the Trustee Company is entitled to receive Trusteeship Fee from the Fund, as may be mutually agreed between the Sponsor and the Board of Trustees from time to time, subject to the SEBI (Mutual Fund) Regulation, 2026.

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D. Asset Management Company

Lakshya Asset Management Private Limited ("the AMC") is a Company incorporated under the Companies Act, 2013, on June 11, 2025, having its Registered Office at 03rd Floor, Commerce House – 4, 100 Feet Road, Anand Nagar Road, Ahmedabad – 380 015, Gujarat, India. The AMC has been appointed as the Asset Management Company of Lakshya Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated November 03, 2025, and executed between the Trustee and the AMC.

Shareholding Pattern of AMC

Name of Shareholder	No. of shares held	% of shareholding
Wealth First Portfolio Managers Limited	76,66,656	69.70
Sanjiv Shah	16,66,665	15.15
Sanjay Gaitonde	16,66,667	15.15
Hena Shah (holding shares on behalf of Wealth First Portfolio Managers Limited as a Nominee Shareholder)	10	0.00
Rajan Mehta	2	0.00
Total	**1,10,00,000**	**100**

Details of AMC Directors:

Name	Age	Qualification	Brief Experience
Ashish Shah (Chairman and Associate Director)	62	B.E. (Mechanical)	Ashish is a seasoned leader in business development with 33 years in the financial services industry, adept at driving revenue growth through robust client connections. A dynamic marketer with a proven track record in finance and investment management, utilizing outstanding communication skills to create a strong presence and foster a positive brand while maintaining ongoing client satisfaction. Recognized for a motivational leadership approach, with a history of assembling, directing, and retaining high-performing teams to craft and execute growth strategies. Committed to optimizing operations, cutting costs, and improving service quality to bolster the bottom line.
Sandeep Chouhan (Independent Director)	60	M. Tech – IIT, Delhi	With over 36 years of experience at blue-chip Banks across mature & emerging markets, Sandeep has worked with global banks and payment providers including Barclays, Citibank, Morgan Stanley, Commercial Bank, Mashreq Bank, Abu Dhabi Islamic Bank, Network International, and Tata. Managed businesses across 33 countries in the US, Europe, Asia, the Middle East, and Africa, with expertise in banking, payments, and financial strategy.
Sanjiv Shah (Associate Director)	60	B. Com, MMS and M. Sc. (Accounting & Finance)	With a remarkable career spanning 33 years, Sanjiv embarked on his professional journey after graduation, and dedicated over 14 years to Merrill Lynch, playing a pivotal role in managing Foreign Institutional Investors (FII) sales and spearheading the establishment of the derivatives business. In 2001, he co-founded Benchmark Asset Management. Later Benchmark AMC was acquired by Goldman Sachs in 2011, Sanjiv played a key role in proposing the concept of "disinvestment through ETF" to the Government of India, resulting in the first CPSE ETF offering in 2014. This achievement has solidified ETFs as a crucial tool in the government's disinvestment initiatives. He has also participated in various industry committees to enhance financial market operations. Presently, he has launched two Fintech startups, 1 Pay and 1 Move.
Susan Thomas (Independent Director)	59	B. Tech – IIT, Mumbai Ph. D in	Susan is a Senior Research Fellow and Co-Founder of XKDR Forum, a think tank with a cross-disciplinary focus. Her research is both quantitative and policy-driven, employing an interdisciplinary methodology that spans finance, legal systems, public finance management, and government

		Economics from University of Southern California	procurement. She possesses significant expertise in Indian finance. Susan co-authored the NSE-50 index and developed risk management systems for India's equity derivatives market. Her contributions to India's Bankruptcy Reform include serving on the Bankruptcy Legislative Reforms Committee, leading the drafting of the New Bankruptcy Law, and conducting research on the organizational design of the New Bankruptcy Regulator. Previously, she was involved with the 'Standing Council on the Competitiveness of the Indian Financial Sector' at the Ministry of Finance.
Amit Trivedi (Independent Director)	57	BE in Instrumentation and Control and MBA in Marketing	Amit is financial market trainer, educator and author of several books. Primarily involved in training and content development in securities markets, financial planning and wealth management. Amit has trained more than 5,00,000 participants through more than 1,800 training programs and workshops. Amit has written more than 1,000 articles in media and six books (co-authored NISM V-A Mutual Fund Distributors Certification Examination Workbook). He is member of the examination committee of various certification exams of NISM. He holds thirty-two years of work experience.

Obligations of AMC and its employees

Obligations of AMC and its employees shall be governed by Regulation 22 and 23 of the SEBI (Mutual Funds) Regulations, 2026, as amended from time to time.

Termination of AMC

The appointment of an Asset Management Company may be terminated –

a. by the Trustee Company with the approval of majority of its Board of Directors;
b. on request of the Asset Management Company;
c. on the directions of the Board; or
d. by a resolution passed by at least seventy-five per cent of the unit holders.

Any change in the appointment of the Asset Management Company including termination of appointment of existing Asset Management Company and appointment of new Asset Management Company shall require prior approval from the SEBI.

Information on Key Personnel

Name	Age	Designation	Education	Experience (in yrs)	Nature of past experience including assignments held during last 10 years
Rajan Mehta	62	Chief Executive Officer	BE (Mech.), MMS, Diploma in Investment Management (London Business School)	39	Rajan is financial professional with a pioneering role in India's capital markets. He at DSP Merrill Lynch, launched India's first wealth management platform (new Julius Bear India) and later worked at Merrill Lynch London managing over USD 100 million in global markets. He co-founded Benchmark AMC, which introduced several first, including: Indian's first Exchange Traded Fund (ETF) – NIFTY BEES. The world's first Gold ETF filing and India's first launch – GOLD BEES. The world's first money market ETF – LIQUID BEES.
Swapneel Shah	34	Head of Operation &	MBA, MS in Engineering	11	Swapneel has served as the Chief Manager of Operations at Wealth First Portfolio

		Investor Service	Management		Managers Ltd. In this capacity, he develops and executes business strategies, plans, and procedures, sets detailed goals for performance and growth, and establishes policies that uphold the company's culture and vision. He supervises the company's daily operations and the work of executives across various departments, including IT, marketing, sales and finance. He also assesses performance through data and metrics analysis, and engages in expansion activities such as investments, acquisitions, and corporate alliances.
Mahek Gandhi	37	Head – Compliance	B. Com and Company Secretary (CS)	13	Mahek is a secretarial and compliance professional with over 12 years of experience across the financial services industry. He has 10 years of hands-on experience in compliances relating to NSE, BSE, MCX, CDSL and SEBI, gained while working with leading brokerage houses. He also brings over 2 years of experience in IFSCA compliances.
Sarthak Shah	32	Chief Investment Officer (Fixed Income)	B. Com, PGDM - Finance	10	With 10 years of experience in Fixed Income markets, Sarthak has built strong expertise in investment strategy, pricing and market analysis. He most recently spent over 2 years at Kshema General Insurance Pvt. Ltd. as a Dealer, managing fixed income operations and investment decisions. Prior to that, he worked for nearly 5 years at Tipsons Financial Services Pvt. Ltd. as Senior Manager – Fixed Income, where he developed pricing strategies for valuations and market making, while closely tracking G-Sec, SDL, Private Bonds and money market instruments including CPs, CDs, Call Rates, Repo and CBLO transactions. His decade of experience reflects a comprehensive command of fixed income products, market dynamics, and portfolio management.
Samir Shah	50	Chief Technology Officer	B.E (Computers), MBA (IT & Systems)	25	Samir has worked as General Manager – IT Head at ACML Capital Markets Limited (A Subsidiary of Ahmedabad Stock Exchange) for more than two decades. He specializes in managing networks, servers, security, desktops, laptops and printers. His strong communication skills and leadership abilities enable him to manage teams effectively. He oversees IT projects and assignments, ensuring that business plans align with the latest technological advancements.
Deepak Srivastava	44	Chief Risk Officer	B. Com and MBA (Finance)	21	Deepak has worked with leading Stock Exchanges and Market Institutions including MSEI, India INX and MCX CCL where he was closely involved in Exchange-level Surveillance, Regulatory Reporting and Operational Risk Controls. On the

					intermediary side, he has gained deep hands-on exposure while working with large brokerage houses such as Edelweiss and Nuvama. In his most recent assignment with the Olam Group, he was part of the market compliance function, where he has led trade surveillance & regulatory reporting.
Poonam Mehta	41	Dealer (Fixed Income)	B. Com and MBA	11	For the past 11 years, Poonam has been working with Wealth First Portfolio Managers Limited as a Fixed Income – Dealer. She possesses extensive expertise in trading, pricing and managing fixed income securities including Government Bonds, Corporate Debt and money market instruments. Her skills lie in optimizing portfolio performance through rigorous market analysis, yield curve evaluation, and risk management strategies. She has also proven her ability to execute large trades efficiently while maintaining tight spreads and managing market impact.
Rupsi Patel	32	Executive – Investor Service	BBA, MBA	10	With nine years of experience as a Client Service professional at Wealth First Portfolio Managers Limited, Rupsi excels in managing investor relationships, addressing complex inquiries, and ensuring regulatory compliance. Her expertise spans client onboarding, transaction processing, and back-office operations. She collaborates effectively with internal teams to deliver exceptional client experiences.

Procedure & Recording of Investment Decision

All investment decisions, relating to the schemes, shall be undertaken by the AMC in accordance with the SEBI (MF) Regulations, investment objectives specified in the Scheme Information Document (“SID”) and Investment Policy of the AMC. All investment decisions shall be recorded in terms of Point no 7.16 of SEBI Master Circular dated March 20, 2026 and MFD/CIR/6/73/2000, dated July 27, 2000 as amended from time to time. The Chief Executive Officer of the AMC shall inter-alia ensure that the investments made by the Fund Manager(s) are in the interest of the unit holders. The Fund Manager(s) shall ensure that the Funds of the scheme(s) are invested in line with the investment objective of the scheme(s) and in the interest of the unit holders. A detailed report shall be made before taking any decision to invest in a company / issuer for the first time. Individual scrip wise reasons shall be recorded by the Fund Manager(s) at the time of placing individual orders.

The AMC has constituted an Investment Management Committee which would comprise of key employees of AMC. The scheme(s) shall be managed with a structured investment process which would involve categorically defined parameters which shall be approved by the Investment Management Committee. The Investment Management Committee would ensure the compliance of investment policy, scheme(s) parameters and shall review the performance of the scheme(s).

Performance of the scheme(s) shall be periodically reviewed / monitored by the Boards of the AMC and the Trustee respectively. The said review shall be undertaken vis-à-vis their respective benchmark indices and mutual fund industry wide peer group. Corrective action can be recommended by the Board of AMC and Trustee in case of unsatisfactory performance.

In terms of Point No 7.22 of SEBI Master Circular Dated March 20, 2026 SEBI, Circular No. MFD/CIR/01/071/02 dated April 15, 2002, the AMC and Trustee may change the benchmark index or select an additional benchmark index after recording adequate justification for carrying out such change. However, change of benchmark index and/or selecting additional benchmark indices would be done in compliance of the relevant guidelines of SEBI, in this regard.

II. SERVICE PROVIDERS

Name of Service Provider	Category	Address
HDFC Bank Limited	Custodian	Empire Plaza, Tower 1, 04th Floor, LBS Marg, Chandan Nagar, Vikhroli (West), Mumbai – 400 083.
HDFC Bank Limited	Fund Accountant	Empire Plaza, Tower 1, 04th Floor, LBS Marg, Chandan Nagar, Vikhroli (West), Mumbai – 400 083.
HDFC Bank Limited	Collecting Bankers	Empire Plaza, Tower 1, 04th Floor, LBS Marg, Chandan Nagar, Vikhroli (West), Mumbai – 400 083.
KFin Technologies Limited	Registrar and Transfer Agent	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.
M. P. Chitale & Associates LLP	Statutory Auditor	708/709, 07th Floor, C Wing, Trade World, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
---	Legal Counsel	There is no retained legal counsel to the Mutual Fund or AMC. The Mutual Fund or AMC will be using the service of renowned legal counsel, as required.

III. CONDENSED FINANCIAL INFORMATION

AMC is in the process of launching its scheme(s). Hence below information is Not Applicable.

Historical as per unit statistics	Scheme Name		
	2023-2024	2024-2025	2025-2026
NAV at the beginning of the year (as on 01st April)	NA	NA	NA
Dividends	NA	NA	NA
NAV at the end of the year (as on 31st March)	NA	NA	NA
Annualized Return	NA	NA	NA
Net Assets at the end of the period (INR crores)	NA	NA	NA
Ratio of recurring expenses to net assets	NA	NA	NA

IV. RISK FACTORS

A. Standard Risk factors for investments in Mutual Fund

Mutual Funds and securities investments are subject to market risks and there can be no assurance or guarantee that the objectives of the scheme/s will be achieved.

- Investment in Mutual Fund units involve investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.

- As the price / value / interest rates of the securities in which the scheme(s) invests fluctuates, the value of investments in the scheme(s) may go up or down.

- Past performance of the schemes, the Sponsors or its Group / Affiliates / AMC / Mutual Fund does not guarantee future performance of the schemes of the Mutual Fund.

- The schemes of the Mutual Fund do not in any manner indicate either the quality of the scheme or its future prospects and returns.

- The sponsor of the Mutual Fund is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 1,00,000 made by it towards setting up the Fund.

- The present scheme(s) is not a guaranteed or assured return scheme(s).

- The NAVs of the schemes may be affected by changes in the general market conditions, factors and forces affecting capital/debt market, in particular, level of interest rates, various market-related factors, trading volumes, settlement periods and transfer procedures.

  Different types of securities in which the schemes would invest as given in Scheme Information Document carry different levels and types of risks. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern. For example, equity and equity related securities carry a higher amount of risk than debt securities. Investment decisions made by the AMC may not always be profitable.

  Risk associated with investing in Fixed Income

  Price-Risk or Interest-Rate Risk: Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

  Credit Risk: This is the risk associated with the issuer of a debenture/bond or a Money Market Instrument defaulting on coupon payments or in paying back the principal amount on maturity. Even when there is no default, the price of a security may change with expected changes in the credit rating of the issuer. It is to be noted here that a Government Security is a sovereign security and is the safest. Corporate bonds carry a higher amount of credit risk than Government Securities. Within corporate bonds also there are different levels of safety and a bond rated higher by a particular rating agency is safer than a bond rated lower by the same rating agency.

  Liquidity or Marketability Risk: This refers to the ease with which a security can be sold at or near to its valuation Yield-to-Maturity (YTM). The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is today's characteristic of India's fixed income market.

  Reinvestment Risk: Investments in fixed income securities may carry reinvestment risk as interest rates prevailing on the coupon payment or maturity dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate. It must be noted that since these schemes invest in STRIPS which are zero coupon securities, there is no reinvestment risk.

  Legislative Risk: Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the schemes.

  Pre-payment Risk: Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Fund. It must be noted that the Fund invests in a security which do not have such prepayment feature and hence there is no prepayment risk.

Settlement Risk: Different segments of the Indian financial markets have varying settlement periods, which may be extended due to unforeseen circumstances. Settlement delays could lead to periods where the scheme's assets are uninvested, resulting in no returns. Additionally, the scheme may miss certain investment opportunities if it is unable to make intended securities purchases due to settlement issues. Similarly, the inability to sell securities held in the scheme's portfolio due to a lack of a well-developed and liquid secondary market for debt securities could result in potential losses if the value of these securities declines.

Unlisted securities: Subject to applicable Regulations, the scheme(s) can invest in unlisted securities. These securities are subject to greater price fluctuations, less liquidity and greater risk than the listed securities. Except for any security of an associate or group company, the scheme has the power to invest in securities which are not listed on a Stock Exchange/s ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the scheme(s) will realize their investments in unlisted securities at a fair value.

Different types of securities in which the schemes would invest as given in SID carry different levels and types of risks. Accordingly, scheme's risk may increase or decrease depending upon its investment pattern e.g. corporate bonds carry higher amount of risk than Government securities. Further, even among corporate bonds, bonds, which are AA rated, are comparatively more-risky than bonds, which are AAA rated.

The above are some of the common risks associated with investments in fixed income and money market securities. There can be no assurance that a scheme's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

Risk associated with Segregated Portfolio

Different types of securities in which the schemes would invest carry different levels and types of risk as given in the SID. In addition, unitholders are also requested to note following risks with respect to Segregated Portfolio:

- The investors holding units of the segregated portfolio may not be able to liquidate their holdings till the time of recovery of money from the issuer.
- The security comprising the segregated portfolio may not realise any value.
- Listing units of the segregated portfolio on a recognized Stock Exchange(s) does not necessarily guarantee their liquidity. There may not be active trading of units of the segregated portfolio on the Stock Exchange(s).
- The trading price of units on the Stock Exchange(s) may be significantly lower than the prevailing Net Asset Value (NAV) of the segregated portfolio.

Risk associated with investing in Tri-party Repo (TREPS) through CCIL

Mutual Fund is a member of the securities segment and tri-party repo trade settlement of the Clearing Corporation of India Limited ("CCIL"). All transactions of the Mutual Fund in Govt. securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL, thus reducing the settlement and counterparty risks considerably for transactions in the said segments. Members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL).

CCIL shall maintain two separate default funds in respect of its securities segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from tri-party repo trades. The Mutual Fund is exposed to the extent of its contribution to the default fund of CCIL at any given point in time, i.e., in the event that the default waterfall is triggered and the contribution of the Mutual Fund is called upon to absorb settlement/default losses of another member by CCIL, the scheme may lose an amount equivalent to its contribution to the default fund.

Further, it may be noted that CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury Bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

Performance Risk

Performance risk refers to the risk of the scheme being unable to generate returns commensurate with or higher than the returns of its benchmark. It also includes the risk of the scheme underperforming its peer group comprising other mutual fund schemes with similar portfolio composition, scheme classification, investment objective, benchmark, and asset allocation pattern. Such risks may arise due to various factors including market and economic developments, changes in government policies and regulations, global economic conditions, currency fluctuations, taxation policies, political events, corporate actions, and investor behavior.

Risk associated with Right to limit Redemptions

Subject to the approval of the Board of Directors of the AMC and the Trustee Company, and upon immediate intimation to SEBI, the scheme may impose restrictions on redemptions under exceptional circumstances where the AMC and/or the Trustee Company are of the opinion that such restrictions are necessary due to events leading to a systemic crisis, severe liquidity constraints in the securities market, or disruption of the efficient functioning of the markets.

Please refer “Right to Limit Redemptions” for further details, including the procedure to be followed while imposing a restriction on redemptions.

Risk associated with transaction in units through Stock Exchange(s)

In respect of transactions in units of the scheme through Stock Exchange(s) platform, allotment and redemption of units on any business day shall be subject to the order processing and settlement procedures of the relevant Stock Exchange(s) and their respective clearing corporations. The Fund shall not be liable for any delays or inefficiencies in such processing or settlement, as the same are beyond its control.

Other risk factors

Certain risks associated with specific instruments or investment strategies may not be applicable to the scheme, as the scheme does not presently intend to invest in such instruments or undertake such investment strategies. Accordingly, below risks relating to such instruments or strategies may not arise in connection with the scheme:

• Equity and Derivatives
• Overseas Securities
• Preference Shares
• REITs and InvITs
• Gold and Silver ETFs
• Interest Rate Future
• Short selling and securities lending
• Securitized Debt
• Credit Default Swaps
• Unrated debt instruments
• Instruments having special features
• Exchange Traded Commodity Derivatives
• Repo/Reverse Repo in Corporate Debt Securities
• Debt instruments having structured obligations/credit enhancements

B. RISK MITIGATION / MANAGEMENT STRATEGIES

The Fund shall endeavour to manage risks associated with investments in debt markets through a comprehensive risk management framework. The risk management process includes identification, assessment, monitoring and mitigation of risks through appropriate risk measurement and control mechanisms.

The Fund has identified various risks associated with investments in debt instruments and has designed suitable risk management strategies, which are embedded in investment and monitoring process to manage such risks.

Risk Description	Risk Mitigants / Management Strategy
Price-Risk or Interest-Rate Risk	In a rising interest rate environment, the Fund Manager may increase exposure to money market and shorter maturity instruments, whereas in a declining interest rate environment, allocation to longer maturity debt securities may be increased, thereby managing interest rate risk to that extent.
Credit Risk	Schemes will invest in sovereign securities as permitted under the asset allocation pattern. These instruments are either sovereign rated or bear low credit risk. Thus, this risk is mitigated to some extent.
Liquidity or Marketability Risk	Schemes will primarily invest in TREPS, Government Securities and other money market instruments thereby limiting liquidity risk. The liquidity risk for Government Securities and money market instruments may be low.
Reinvestment Risk	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.

While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated.

The AMC has necessary framework in place for risk mitigation at an enterprise level. The Risk Management division is an independent division within the organization. Risk indicators & internal limits are defined and judiciously monitored on a regular basis. There is a Board level Committee, the Risk Management Committee of the Board, which enables a dedicated focus on risk factors and the relevant risk mitigation measures.

C. SPECIAL CONSIDERATIONS

Investors are requested to study the terms of Scheme Information Document (SID) and this Statement of Additional Information (SAI) of Lakshya Mutual Fund carefully before investing in the schemes and to retain the SID and SAI for future reference. Investors are advised to consult their legal, tax and professional advisors in regard to tax/legal implications relating to their investments in the schemes, before making decision to invest in or redeem the units. Investors alone shall be fully responsible/liable for any investment decision taken on the basis of this document.

Investors are advised to rely upon only such information and/or representations as contained in SID. Any subscription or redemption made by any person on the basis of statements or representations which are not contained in SID, or which are inconsistent with the information contained herein shall be solely at the risk of the investor. The Mutual Fund/Trustee/AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such Investor.

Mutual Fund investments are subject to market risks and the investors should review/study SID of the scheme, the SAI and the addenda thereto issued from time to time carefully in its entirety before investing and should not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation or financial/investment matters. There can be no assurance or guarantee that the scheme's objectives will be achieved, and the investment decisions made by the AMC may not always be profitable.

Neither SID of the scheme nor the SAI of Lakshya Mutual Fund, nor the units of the schemes have been registered in any jurisdiction. The distribution of the SID and SAI of Lakshya Mutual Fund in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of the SID and SAI of Lakshya Mutual Fund in such jurisdictions are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of the SID or any accompanying application form in such jurisdiction may treat the SID or such application form as constituting an invitation to them to subscribe for units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance of any registration or other legal requirements.

Investors may note that AMC/Fund Manager's investment decisions may not be always profitable or prove to be correct. Various factors in securities market not only affect the prices of securities but may also affect the time taken by the Fund for redemption of units, which could be significant in the event of receipt of a very large number of redemption requests or very large value of redemption requests. In the event of restructuring of the scheme's portfolio, the time taken by the scheme for redemption of units may become significant. The liquidity of the assets may be affected by other factors such as general market conditions, political events, bank holidays and civil strife. In view of this, the Trustee has the right in its sole discretion to limit redemption (including suspension of redemption) under certain circumstances. The liquidity of the scheme's investments may be restricted by trading volumes, settlement periods and transfer procedures.

The tax benefits, available under the present taxation laws, are available subject to conditions. The information given is included for general purpose only and is based on advice received by the AMC regarding the law and practice in force in India and the unitholders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the scheme will endure indefinitely. In view of the individual nature of tax consequences, each unitholder is advised to consult his/her own professional tax advisor.

No person has been authorized to give any information or to make any representations not confirmed in the SID in connection with the SID or the issue of units, and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund or the Asset Management Company.

The Mutual Fund may disclose details of the investor's account and transactions thereunder to any Regulatory/Statutory entities as per the provisions of law. Neither the Mutual Fund nor the AMC nor any person connected with it accepts any liability arising from the use of this information. The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the schemes are wound up for the reasons and in the manner provided in SAI.

The AMC may freeze/lock the folio(s) of unitholder(s) for further transactions or reject any applications for subscription or redemption of units pursuant to receipt of orders/instructions/directions issued by any governmental, judicial, quasi-judicial or other similar authority, including orders restricting the unitholder(s) from dealing in securities or for attachment of units held by such unitholder(s).

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V. HOW TO APPLY

A. Purchase/Subscription

1. New investors can purchase units of the respective scheme(s)/plans by using an application form, whereas existing unit holders may use transaction slip or application form. Application forms or transaction slips will be available at the Investor Service Centers (ISCs)/Official Points of Acceptance of transactions during business hours on business days. The same can also be downloaded from the website of the Mutual Fund.

2. Applications must be completed in BLOCK LETTERS in English.

3. Signatures should be in English or in any Indian Language. In case of joint holdings, all joint holders are required to sign. Applications on behalf of minors should be signed by their Guardian. In case of a HUF, the Karta should sign the application form on behalf of the HUF. Investor who cannot sign and in case required to provide a thumb impression will have to contact the AMC for the additional documentation/information required.

4. For investments through Constituted Attorney, the Power of Attorney has to be signed by the Applicant and Constituted Attorney. The signature in the application form needs to clearly indicate that the signature is on behalf of the applicant by the Constituted Attorney.

5. The duly completed application form/transaction slip as the case maybe, can be submitted at the Designated ISCs/ Official Points of Acceptance. The personnel at the official point of acceptance of transaction will time stamp, and return the acknowledgement slip in the application form. The application shall be subject to verification. For details on updated list of ISCs/Official Points of Acceptance investors may log on to 'Contact Us' section on our website.

6. Investors are required to ensure that ARN & EUIN is correctly filled up in the application form for investments routed through the distributor (ARN holder). EUIN, particularly in advisory transactions, would assist in addressing any instance of mis-selling even if the employee/relationship manager/sales person later leaves the employment of the distributor. In case, the distributor has not given any advice to investor pertaining to the investment made, the EUIN box may be left blank wherein the investor will be required to provide a duly signed declaration to this effect, as given in the application form.

   SEBI has made it compulsory for every employee/relationship manager/sales person of the distributor of Mutual Fund products to quote the EUIN obtained by him/her from AMFI in the application form.

7. Investors may undertake transactions viz. purchase/redemption/switch etc. through official website - www.lakshyafunds.com, etc. and may also submit transactions in electronic mode offered by specified banks, financial institutions, distributors etc., with whom AMC has entered or may enter into specific arrangements including through secured internet sites operated by KFin. Accordingly, the servers (maintained at various locations) of the AMC and KFin will be the official point of acceptance for all such online/electronic transaction facilities offered by the AMC. For the purpose of determining the applicability of NAV, time of transaction would be the time when request for purchase/sale/switch of units is received in the servers of AMC/RTA.

8. Investors transacting through MFSS/BSE StAR MF/NMF II platform under the electronic order collection system for scheme/s which are unlisted and Stock Exchange(s) for the listed scheme/s will have to comply with norms/rules as prescribed by Stock Exchange(s).

9. In respect of New Fund Offer (NFO) of schemes/plan(s) an investor can subscribe to the NFO through Applications Supported by Blocked Amount (ASBA) facility by applying for the units offered under the option(s)/plan(s) of the scheme(s) in the ASBA Application Form and following the procedure as prescribed in the form. For details, please refer to the Section **"Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility".**

10. All cheques and bank drafts must be drawn in the name of the respective scheme(s) e.g. "Lakshya Overnight Fund" and crossed "Account Payee only". A separate cheque or bank draft must accompany each application. Investors must use separate application forms for investing simultaneously in more than one option of the scheme subject to the minimum subscription requirements under each option.

11. All cheques and bank drafts accompanying the application form should contain Application Form Number/PAN/Folio Number on its reverse. Returned cheque(s) are liable not to be presented again for collection, and the accompanying application form is liable to be rejected. In case the returned cheque(s) are presented again, the necessary charges are liable to be debited to the investor.

12. In order to comply with AMFI (Association of Mutual Funds in India) best practice guidelines on ‘risk mitigation process against third party instruments and other payment modes for mutual fund subscriptions’ issued from time to time and also to enhance compliance with Know Your Customer (KYC) norms under the Prevention of Money Laundering Act, 2002 (PMLA), the acceptance of third-party payment is restricted.

13. Investors should note that it is mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/her PAN/PAN Exempt KYC Reference Number (PEKRN) irrespective of the amount of purchase* (in case of PAN) * and limit of Rs. 50,000 (in case of PEKRN) * in the application form. Where the applicant is a minor and does not possess his/her own PAN/PEKRN, he/she shall quote the PAN/PEKRN of his/her father or mother or the guardian, as the case may be. For details, please refer to the Section “Permanent Account Number”.

    *Includes fresh/additional purchase, switch, Systematic Investment/Transfer and Reinvestment of IDCW/Transfer of IDCW.

14. Investors should note that it is mandatory for all purchases/switches/registrations for systematic transactions/transfer of IDCW, etc. to quote the valid KYC compliance status of each applicant (parent or guardian in case of minor, Power of Attorney (POA), Karta, UBO, Directors or Partners) in the application and attach proof of KYC compliance. For more details, please refer paragraph **“Know Your Customer (KYC)”.**

15. It is mandatory to complete the KYC requirements for all unit holders, including for all joint holders, POA holders, the parent/guardian in case of folio of a minor investor.

16. Investors should note that for all purchases in the folio of minors the payment shall be made from bank account of the minor, parent, or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian.

17. Applicants must satisfy the minimum application amount requirements mentioned in the ‘Scheme Information Document’ of the respective scheme(s) of Lakshya Mutual Fund.

18. In case of non-individual applicants/investors, it will be mandatory to provide the details on ‘Ultimate Beneficial Owner(s) (UBO(s))’ by filling up the declaration form for ‘Ultimate Beneficial Ownership’. Please contact the nearest ISC of Lakshya Mutual Fund or visit our website for the Declaration Form. For more details, please refer paragraph **“Identification of Ultimate Beneficial Owners (UBO(s))”.**

19. Applications not completed in any respect are liable to be rejected.

20. Any application for subscription of units may be rejected if found incomplete or due to unavailability of underlying securities, etc.

21. Payment should be made by cheque or bank draft drawn on any Bank which is situated at and is a member of the Banker's Clearing House located at the place where the application is submitted or in a manner acceptable to the AMC, which is evidenced by receipt of credit in Bank Account of the Fund.

22. Outstation cheques will not be accepted, and applications accompanied by such cheques are liable to be rejected. However, outstation cheques are acceptable in case of SIP applications. The first instalment of SIP should however be payable at the location where the application is tendered.

23. No cash, money orders and postal orders will be accepted.

24. Investors may please note that in case any application is made through demand draft, demand draft charges will not be reimbursed by the AMC. The demand draft charges shall be borne by investors.

25. The Trustee shall have absolute discretion to accept/reject any application for purchase of units, if in the opinion of the Trustee, increasing the size of scheme's unit capital is not in the general interest of the unitholders, or the Trustee for any other reason believes it would be in the best interest of the scheme or its unitholders to accept/reject such an application.

26. Investors are requested to use the services of AMFI certified Distributors empanelled with the AMC. The AMC shall not be liable to an investor, with respect to investments made through non-empanelled distributors. If the investor wishes to invest directly, i.e. without involving the services of any agent or broker, "DIRECT" should be mentioned in the space provided for "ARN Number" in the application form/transaction form. Any subsequent change/updation/removal of broker code will be based on the written request from the unit holder and will be on a prospective basis only from the date when the Registrar executes such written instruction.

27. Treatment of financial transactions received through suspended Distributors

    The financial transactions of an investor where his distributor's AMFI Registration Number (ARN) has been suspended temporarily or terminated permanently by Association of Mutual Funds in India (AMFI) shall be processed as follows:

- All purchase and switch requests (including under fresh registrations of SIP / STP or under SIPs/STPs registered prior to the suspension period) received during the suspension period shall be processed under "Direct Plan" and continue to be processed under "Direct Plan" perpetually unless after suspension of ARN is revoked, unitholder makes a written request to process the future instalments/investments under "Regular Plan". The AMC shall also suitably inform the concerned unitholders about the suspension of the distributor from doing Mutual Fund distribution business.

- Any purchase/switch or SIP/STP transaction requests received through Stock Exchange(s) platform, from any distributor whose ARN has been suspended, shall be rejected.

- Additionally, where the ARN of a distributor has been terminated permanently, the AMC shall advise the concerned unitholder(s), who may at their option, either continue their existing investments under Regular Plan under any valid ARN holder of their choice or switch their existing investments from "Regular Plan" to "Direct Plan" subject to tax implications and exit load, if any.

28. Option to hold units in Dematerialised (Demat) form

    Pursuant to para 15.7.2 of Master Circular for Mutual Funds, investors subscribing for the units in any of the schemes of the Fund may opt to hold units in Dematerialized (Demat) mode by filling and providing details of their Demat Account in the specified application form and furnish Bank Account details linked with their Demat Account. Units shall be allotted in physical form by default unless the investors intimate their intention of holding units in Demat form by filling in the specified application form. This option shall be available in accordance with the provisions laid under the respective scheme(s) and in terms of guidelines/procedural requirements as laid by the Depositories (NSDL/CDSL) from time to time.

Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL/CDSL). Unit holders opting to hold the units in Demat form must provide their Demat Account details like the DP's name, DP ID Number, and the beneficiary account number of the applicant with the DP, in the specified section of the application form.

In case unit holders do not provide their Demat Account details, unit will be allotted to them in physical form, and an Account Statement shall be sent to them. Investors holding units in dematerialized form as well as investors holding units in physical form, both shall be able to trade on the BSE StAR MF Platform and on NSE NMF II.

Units held in Demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of the SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a valid Demat Account.

In case, the unit holder desires to hold the units in a demat/rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice versa should be submitted along with a demat/remat request form to the DP directly and not to the AMC or the Registrar and Transfer Agent (RTA) of the Fund. The AMC shall then issue units in the desired form within two working days of the receipt of valid documents from the respective DP. The credit of the converted units shall be reflected in the transaction statement provided by the DP to its client. Similarly, request for redemption or any other non-financial request shall be submitted directly to the DP and not to the AMC/RTA of the Fund.

For the units held in Demat form investors will receive an account statement from their respective DPs and not from AMC/RTA of the Fund.

The facility of availing the units in demat/remat form is available subject to such processes, operating guidelines and terms & conditions as may be prescribed by the DPs and the Depositories from time to time.

Static Details

- The details provided by investors in the application form for subscribing to units should be same as the details registered with the DP.
- In the event of any conflict, the details registered with the DP will prevail.
- In case any particular detail is not registered with the DP, the details in the application form will be considered.
- In the event of mismatch in the mode of holding as mentioned in the application form vis-à-vis details with the DP, the application is liable to be rejected.

Additional information regarding Dematerialisation or Rematerialization of Mutual Fund units

Investor(s) / Unitholder(s) are requested to note the following procedures pertaining to Dematerialisation or Rematerialization of Mutual Fund units pursuant to AMFI letter AMFI/35P/MEM-COR/72/2023-24 dated October 17, 2023:

a. How to apply for/get allotment of units in Demat mode:

The investors who intend to hold units in dematerialised mode are required to have a Demat Account with Central Depository Services (India) Ltd. ("CDSL") / National Securities Depository Ltd. ("NSDL"). Such investors should provide their Demat Account details in the physical application form along with copy of Client Master.

Investors investing through the Stock Exchange platforms in Demat mode are required to provide their Demat Account details in their account opening form.

Investors investing online using either the Lakshya MF platform or that of its RTA, will get units by way of account statement only. Thereafter, they may choose to convert such holding in demat form as per the process explained below.

b. How to convert the units held in SoA mode to Demat mode:

Investors desiring to convert the physical units (SoA mode) into dematerialized form, need to submit the dematerialized request along with their latest account statement to their Depository Participant ("DP"). For process of conversion and other requirements, investors are advised to contact their DP. Investor can also visit the website of respective depositories for information in this regard.

c. How to convert the units held in Demat mode to Remat (Rematerialization) mode:

Investor who wishes to convert the holding in Demat form to Remat mode, has to apply for Rematerialization through his Depository Participants and complete the required formalities at DP's end. Once this is done, DP will send the same to RTA for processing.

d. How to redeem the units held in Demat mode:

Investor who intends to redeem their Mutual Fund units held in Demat form need to submit the request through Depository Participants or through the respective Exchange(s).

e. Is switch-transaction permissible if the units are held in Demat:

Investors who intend to switch their Demat units (switch-in and switch-out transactions), need to submit the request through their Depository Participants and can be done only through Exchange(s). As of now switch is not available through DP.

f. The procedure for change in investor's profile/bank account details etc. in respect of units held in Demat mode (i.e., to whom the investor is required to approach, in case of such request):

In case of non-financial requests/applications such as change of investor's profile, address, bank details, complaints etc. investor should approach their Depository Participant(s) if units are held in Demat mode.

Investors are also advised to contact the nearest Investor Service Center (ISC) of Lakshya Mutual Fund or CAMS for further information/assistance in this regard.

29. Transacting through Stock Exchange Platform/Mechanism

The Fund also offers an alternate facility of transacting in the units of the select scheme(s) of the Mutual Fund through the Mutual Fund trading platform of the Bombay Stock Exchange (BSE StAR MF) and National Stock Exchange (NSE MFSS). Investors desirous of transacting through the Stock Exchange mode have an option to hold units in Demat Mode or in Physical Mode. Investors desirous of transacting through the Stock Exchange mode shall submit applications to registered Stock Brokers, Clearing Members of recognized Stock Exchange/s, or Depository Participants for transacting through BSE StAR MF or NSE MFSS. Stock brokers, Clearing Members and Depository Participants will be considered as official points of acceptance of such transactions. A confirmation slip will be issued to the investor upon acceptance of the application.

30. Application through common One Time Mandate registration facility offered by KFIN/RTA

    One Time Mandate registration shall be registered against the PAN/PEKRN of the first unit holder, which authorizes his/her bank to debit their account up to a certain specified limit per transaction (subject to the statutory limits as applicable from time to time), as and when they wish to transact with the Fund, without the need of submitting cheque or fund transfer letter with every transaction thereafter. This facility currently enables unit holder(s) of the Fund to start Systematic Investment Plan (SIP) or invest lump sum amounts in the scheme(s) of the Fund wherever subscription is allowed. Currently, this facility is available for transactions made through physical mode and the Fund may, at its discretion, extend the same to other modes of transactions from time to time.

    This facility can be availed only if the investor's Bank is participating in the NACH (National Automated Clearing House) platform and subject to investor's bank accepting ACH/OTM registration mandate.

31. Transactions through Electronic Mode

    The AMC, Mutual Fund, Registrar, or any other agent or representative of the AMC, Mutual Fund, Registrar ("Recipient") may accept certain transactions through any electronic mode ("electronic transactions"), subject to the investor fulfilling certain terms and conditions as stipulated by the AMC from time to time.

    Acceptance of electronic transactions as may be permitted by SEBI or other regulatory authorities from time to time and will be solely at the risk of the transmitter of the electronic transaction ("Transmitter") and the recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such electronic transactions including where an electronic transaction sent/purported to be sent is not processed on account of the fact that it either received late or not received by the recipient.

    The transmitter acknowledges that electronic transaction is not a secure means of giving instructions/transaction requests and that the transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. and that the transmitter's request to the recipient to act on any electronic transaction is for the transmitter's convenience and the recipient shall not be obliged or bound to act on the same. The transmitter authorizes the recipient to accept and act on any electronic transaction which the recipient believes in good faith to be given by the transmitter, and the recipient shall be entitled to treat any such electronic transaction as if the same was given to the recipient under the transmitter's original signature. The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone callbacks or a combination of the same. Callbacks may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the recipient to enable confirmation of such electronic transaction requests. The transmitter further accepts that the electronic transaction shall not be considered until time stamped appropriately as a valid transaction request in the scheme in line with the SEBI (Mutual Fund) Regulation, 2026. In consideration of the recipient accepting and at its sole discretion (including but not limited to the AMC extending/discontinuing such facilities from time to time) acting on any electronic transaction request received/purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, its Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees (indemnified parties) from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs (including without limitation, interest and legal fees) and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on electronic transaction requests including relying upon such electronic transaction requests purporting to come from the transmitter even though it may not come from the transmitter.

The AMC reserves the right to discontinue the above-mentioned facilities at any point in time. Applications which are not complete in any respect are liable to be rejected.

32. Online Transactions Facility

Lakshya Mutual Fund allows investors to invest in any scheme of Lakshya Mutual Fund through its website www.lakshyafunds.com. Also, existing investors can do additional purchase, switch, systematic transactions, and redemption of the units of the Fund through the website.

Fund will also allow existing investors to transact through the website of the Fund's Registrar & Transfer Agent.

For subscriptions or SIP received through online transaction platform, Bank Account details provided will be verified through Penny drop. It is a method of third-party verification where the investor's bank mandate (that is given for making the online payment during fresh/additional purchase/SIP transaction) shall be validated for payment done by a third party or not, by crediting Re. 1 to investor's account from Lakshya scheme fund account. Using the response feed provided by the Bank which contains the account holder name, account number, etc. the investor's name & bank mandate details as available against the transaction shall be verified and the Bank Account shall be marked as third party verified. If any of the details do not match and investor's account is found to be a third-party account, such transaction is liable to get rejected.

Online transactions will save cost and time of the investor and will also enable the Fund to serve its clients in a faster and efficient way. However, investors intending to take benefit of the web-based transaction facility should note that the investor shall use this service at his own risk. The Fund, the AMC, the Trustee, along with its directors, employees and representatives shall not be liable for any damages or injuries arising out of or in connection with the use of the website or its non-use including, without limitation, non-availability or failure of performance, loss or corruption of data, loss of or damage to property (including profit and goodwill), work stoppage, computer failure or malfunctioning, or interruption of business; error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communication line failure, unauthorised access or use of information.

The Fund shall not be liable for any misuse of data placed on the internet, by third parties "hacking" or unauthorized accessing of the server. The Fund will not be liable for any failure to act upon electronic instructions or to provide any facility for any cause that is beyond the control of the Fund.

The time of transaction done through various online facilities/electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase/sale/switch of units is received in the servers of AMC/RTA.

Further, applicable NAV for web-based transactions shall be based on actual realization of funds by the scheme. Under no circumstances will the AMC or its bankers or its service providers be liable for any lag/delay in realization of funds and consequent pricing of units. The AMC has the right to amend cut off timings subject to SEBI (Mutual Fund) Regulation, 2026, for the smooth and efficient functioning of the scheme.

MF Central: As per para 17.5 of Master Circular, to comply with the requirements of RTA inter-operable platform for enhancing investors' experience in Mutual Fund transactions/service requests, the Qualified RTAs, currently, Kfin Technologies Limited ("KFintech") and Computer Age Management Services Limited ("CAMS") have jointly developed MFCentral - A digital platform for Mutual Fund investors (hereinafter referred to as "MFCentral" or "the Platform").

MFCentral is created with an intent to be a one stop portal/mobile app for all Mutual Fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital/physical services to Mutual Fund investors across fund houses subject to applicable terms and conditions of the platform. MFCentral has been enabling various features and services in a phased manner. MFCentral may be accessed using https://mfcentral.com/ and a Mobile App. Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the DISCs or collection centers of Kfintech or CAMS.

33. Permanent Account Number (PAN)

SEBI has made it mandatory for all applicants (in the case of application in joint names, each of the applicants) to mention his/her PAN irrespective of the amount of purchase* [Except as given under PAN exempt investments]. Where the applicant is a minor, and does not possess his/her own PAN, he/she shall quote the PAN of his/her father or mother or the legal guardian, as the case may be. However, PAN is not mandatory in the case of Central Government, State Government entities and the Officials appointed by the Courts e.g. Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market.

Lakshya Mutual Fund reserves the right to ascertain the status of such entities with adequate supporting documents. Also, investors residing in the state of Sikkim are exempt from the mandatory requirement of PAN, subject to the AMC verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence.

In order to verify that the PAN of the applicants (in case of application in joint names, each of the applicants) has been duly and correctly quoted therein, the applicants shall attach along with the purchase* application, a photocopy of the PAN card duly self-certified along with the original PAN card. The original PAN card will be returned immediately across the counter after verification. The photocopy of the PAN card is not required if KYC acknowledgement issued by any KRA is made available.

*Includes fresh/additional purchase and systematic Investment#

Further, as per the Notification No. 288 dated December 1, 2004, every person who makes payment of an amount of Rs. 50,000/- or more to a Mutual Fund for purchase^ of its units should provide PAN.

^includes fresh/additional purchase, switch, systematic investment#/transfer and reinvestment of IDCW/transfer of IDCW.

Since reinvestment of IDCW/transfer of Rs. 50,000/- or more qualifies as purchase of units for aforesaid Notification, PAN is required to process such reinvestment/transfer, failing which reinvestment of IDCW/transfer shall be automatically converted into payout option.

Updation of Permanent Account Number (PAN) for transactions in Lakshya Mutual Fund:

Investors are requested to note that PAN is mandatory for all financial transactions in scheme(s) of the Fund, with respect to all unitholders in the folio. Accordingly, any financial transactions received without PAN, in respect of non-PAN-exempt folios, shall be rejected in case the copy of the PAN card is not submitted along with the transaction/application. The AMC reserves the right to keep on hold the transaction till the PAN is validated by the AMC/Registrar.

Additionally, in the event of any application form being subsequently rejected for mismatch of applicant's PAN details with the details on the website of the Income Tax Department, the investment transaction will be cancelled, and the amount may be redeemed at the applicable NAV, subject to payment of exit load, if any.

[#]However, the requirement of PAN is exempted in respect of investments in Mutual Fund scheme(s) [including SIP] up to Rs. 50,000/- per year per investor per Mutual Fund. Please refer "PAN Exempt investments" as stated below for more details.

PAN Exempt Investments

SEBI vide its Circular dated July 24, 2012, has clarified that investments in Mutual Fund scheme/s (including investments in SIPs) of up to Rs. 50,000/- per investor per year across all schemes of the Fund shall be exempt from the requirement of PAN. Accordingly, individuals (including joint holders who are individuals, NRIs but not PIOs, Minors) and sole proprietary firms who do not possess a PAN ("Eligible Investors")[*] are exempt from submission of PAN for investments up to Rs. 50,000/- in a rolling 12-month period or in a financial year i.e. April to March. However, Eligible Investors are required to undergo Know Your Customer (KYC) procedure with any of the SEBI registered KYC Registration Authorities (KRA). Eligible Investors must quote PAN Exempt KYC Reference Number (PEKRN) issued by the KRA under the KYC acknowledgement letter in the application form and submit a copy thereof along with the application form. In case the applicant is a minor, PAN/PEKRN details of the guardian shall be submitted, as applicable. Eligible Investors (i.e. the first holder) must not possess a PAN at the time of submission of application form. Eligible investors must hold only one PEKRN issued by any one of the KRAs.

If an application for investment together within investments made in a rolling 12-month period or in a financial year exceeds Rs. 50,000/-, such application will be rejected.

Fresh/additional purchase and SIPs will be covered in the limit of Rs. 50,000/-. Investors may switch their investments to other scheme(s). However, if the amount per switch transaction is Rs. 50,000/- or more, investors will be required to furnish a copy of PAN to the Mutual Fund.

[*]HUFs and other categories are not eligible for such investments.

34. NRIs / PIOs / FPIs / OCIs

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (the "FEMA Regulations") permit an NRI / PIO to purchase on repatriation or non-repatriation basis, without limit, units of domestic Mutual Funds.

Payment for such units must be made either by:

i. inward remittance through normal banking channels; or
ii. out of funds held in the NRE/FCNR account; or
iii. Indian Rupee drafts purchased abroad, in the case of purchases on a repatriation basis or out of funds held in the NRE/FCNR/NRO account, in the case of purchases on a non-repatriation basis. In case Indian Rupee drafts are purchased abroad or from FCNR/NRE accounts, an account debit certificate from the bank/financial entity issuing the draft confirming the debit shall also be enclosed. In case the debit certificate is not provided, the AMC reserves the right to reject the application of the NRI investors.

NRIs shall also be required to furnish such other documents as may be necessary and as desired by the AMC/Mutual Fund/Registrar, in connection with the investment in the schemes.

The FEMA Regulations also permit a registered FPI to purchase, on repatriation basis, units of domestic Mutual Funds provided the FPI restricts allocation of its total investment between equity and debt instruments in the ratio as applicable at the time of investments. Payment by the FPI must be made either by inward remittance through normal banking channels or out of funds held in foreign currency account or non-resident rupee account maintained by the FPI with a designated branch of an authorised dealer with the approval of the RBI in terms of the FEMA Regulations.

In case an investor who is a foreign national and resident in India, ceases to be resident in India, such investor will be required to redeem his/her investments prior to change in the resident status. Investor shall be fully liable for all consequences (including taxation) arising out of the failure to redeem on account of change in residential status. The AMC reserves the right to redeem investments of such investors if their resident status is found to have changed to a country other than India. The redemption proceeds will be credited in Indian rupees only. Further, the AMC, its affiliates or service providers reserve the right to seek additional documents, implement controls and/or impose restrictions with respect to acceptance of investments from foreign nationals' resident in India including the right to reject applications or subsequently redeem investments which are not in line with the controls deemed necessary by the AMC.

A person who falls within the definition of the term "U.S. Person" under the Securities Act of 1933 of the United States, and corporations or other entities organised under the laws of the U.S. are not eligible to invest in the schemes, except for lump sum subscription, systematic transactions and switch transactions requests received from Non-Resident Indians/Persons of Indian Origin who at the time of such investment, are present in India and submit a physical transaction request along with such documents as may be prescribed by the AMC/Trustee from time to time. The AMC shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the AMC/Trustee. The investor shall be responsible for complying with all the applicable laws for such investments.

Persons of Canada will not be permitted to make any fresh purchases/additional purchases/switches/SIPs in any schemes of Lakshya Mutual Fund (via internet or otherwise). However, any investment made before becoming person(s) of Canada will be allowed to be redeemed.

FPIs can transact in the schemes of the Fund subject to applicable guidelines. Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time.

Redemption by NRIs / FPIs

Units held by an NRI investor and FPIs may be redeemed by such investor by tendering units to the Mutual Fund or for payment of maturity proceeds, subject to any procedures laid down by RBI from time to time. The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FPIs. Provisions with respect to NRIs/FPIs stated above, is as per the AMC's understanding of the laws currently prevalent in India.

35. Applications under Power of Attorney / Body Corporate / Registered Society / Trust / Partnership

The original Power of Attorney or duly notarised copy of the Power of Attorney shall be required to be submitted where applications are made under a Power of Attorney. A company, body corporate, eligible institutions, registered society, trusts, partnership or other eligible non-individuals who apply in the scheme should furnish a certified copy of resolution or authority to make the application as the case may be and a certified copy of the Memorandum and Articles of Association and/or bye-laws and/or Trust Deed and/or Partnership Deed and certificate of registration or any other document as the case may be. In case of a Trust/Fund, it shall submit a certified true copy of the resolution from the Trustee(s) authorising such purchases. The officials should sign the application under their official designation and furnish a list of authorised signatories.

36. Identification of Ultimate Beneficial Owners (UBO(s))

As a part of Client Due Diligence (CDD) process under PML Act 2002 read with PML Rules, 2005 as amended from time to time each of the SEBI registered intermediary, which inter alia includes Mutual Funds, is required to obtain sufficient information from their clients in order to identify and verify the identity of persons who beneficially own or control the securities account. Providing information about beneficial ownership is mandatory for all categories of investors except (i) Individuals and (ii) a Company, which is listed on a Stock Exchange or is a majority owned subsidiary of such a Company.

Further, pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/ MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023 on AML/CFT obligations read with SEBI Circular No. SEBI/HO/MIRSD/MIRSDSECFATF/P/CIR/2023/091 dated June 16, 2023 and guidelines on identification of Beneficial Ownership issued by SEBI vide its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) ("UBO(s)") and submit proof of identity (viz. PAN with photograph or any other acceptable proof of identity prescribed in common KYC form) of UBO(s).

A 'Beneficial owner' is defined as a natural person/s who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted, which includes persons who exercise ultimate effective control over a legal person or arrangement. All categories of investors (except individuals, company listed on a stock exchange or majority-owned subsidiary of such company) are requested to provide details about beneficial ownership in the specified section of the Fund's application forms. Fund reserves the right to reject applications (including switches) /restrict further investments from such investors or seek additional information if the requisite information on beneficial ownership is not duly provided. In the event of a change in beneficial ownership, investors are requested to update the details with the Fund/Registrar.

Identification process for Investors other than Individuals or Trusts:

If the investor is an unlisted company, partnership firm or unincorporated association/body of individuals, the beneficial owners are the natural person/s who is/are acting alone or together, or through one or more juridical person and exercising control through ownership or who ultimately has a controlling ownership interest i.e. ownership of/entitlement to:

- more than 10% of shares or capital or profits of the juridical person, where juridical person is a company;
- more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership firm; or
- more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

In cases, where there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner).

In case no natural person is identified under any of the above criteria, the person who holds the position of senior managing official shall be provided.

Identification process for Investor which is a Trust:

In case of a Trust, the settler of the trust, the trustee, the protector, and the beneficiaries with 10% or more interest in the trust or any other natural person exercising ultimate effective control over the trust through a chain of control or ownership shall be considered as beneficial owner.

Investors (other than Individuals & Listed companies) are required to submit the following additional documents along with the declaration, to the Fund at the time of an investment transaction. Additionally, investors shall be required to notify the Fund, when there is a change in the beneficial ownership:

- Copy of the latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI takeover Regulations, duly certified by the Company Secretary/Whole time Director/MD; and
- Documents confirming identity and address of the UBOs of the entity.

Investors are requested to note that, the Fund shall reserve the right to seek additional information to ascertain the beneficial or controlling ownership in the entity investing with the Fund. Applications without the information are subject to rejection/refund. Investors are also required to note that the beneficial owners of investors shall also be required to comply with the "Who can Invest" section as outlined in SID.

37. Foreign Account Tax Compliance Act (FATCA)

The Government of India and US Government have signed an Inter-Governmental Agreement (IGA) on July 9, 2015, to implement FATCA. Pursuant to the reporting requirements mandated under FATCA, the AMC would be required, from time to time:

- To undertake necessary due diligence process by collecting information/documentary evidence about US/Non-US status of the investors/unit holders and identify US reportable accounts; and
- To disclose/report information about the holdings, investments return pertaining to US reportable accounts to the specified US agencies and/or such Indian authorities as may be specified under FATCA guidelines or under any other guidelines issued by Indian Regulatory Authorities such as SEBI, Income Tax, etc.

FATCA due diligence will be applicable at each investor/unit holder (including joint holders) level and on being identified as reportable person/specified US person, all folios/accounts will be reported including their identity, direct or indirect beneficiaries, beneficial owners and controlling persons. Further, in case of folio(s) / account(s) with joint holder(s), the entire account value of the investment portfolio will be attributable under each such reportable person.

Investor(s)/Unitholder(s) will, therefore, be required to comply with the request of the AMC/the Fund to furnish such information, in a timely manner as may be required by the AMC/the Fund to comply with the due diligence/reporting requirements stated under IGA and/or the guidelines issued from time to time.

With respect to individuals, the US reportable accounts would cover those with US citizenship or US residency. With respect to entities, FATCA requires reporting in relation to specified US persons (E.g. US partnerships, private corporations) as well as passive Non-Financial Foreign Entities (NFFEs) in which controlling interest is held by specified US person.

The identification of US person will be based on one or more of the following "US indicia" –

- Identification of account holder as a US citizen or resident;
- Unambiguous indication of a US place of birth;
- Current US mailing or residence address (including a US post office box);
- Current US telephone number;
- Standing instructions to transfer funds to an account maintained in US;
- Current effective power of attorney or signing authority granted to a person with a US address; or
- An "in-care of" or "hold mail" address that is the sole address that the Indian Financial Institution has on the file for the account holder.

Common Reporting Standard (CRS)

On similar lines as FATCA, the Organization of Economic Development (OECD), along with the G20 countries, of which India is a member, has released a "Standard for Automatic Exchange of Financial Account Information in

Tax Matters", requiring cooperation amongst tax authorities. The G20 and OECD countries have together developed a Common Reporting Standard (CRS) on Automatic Exchange of Information (AEOI).

The CRS on AEOI was presented to G20 Leaders in Brisbane on 16th November 2014. On June 3, 2015, India has joined the Multilateral Competent Authority Agreement (MCAA) on AEOI. The CRS on AEOI requires the financial institutions of the "source" jurisdiction to collect and report information to their tax authorities about account holder's "resident" in other countries, such information having to be transmitted "automatically" annually. The information to be exchanged relates not only to individuals, but also to shell companies and trusts having beneficial ownership or interest on the "resident" countries.
Appropriate rules have been notified to implement CRS and FATCA. In view of India's commitment to implement the CRS on AEOI and also the IGA with USA, and with a view to provide information to other countries, necessary legislative changes have been made through Finance (No. 2) Act, 2014, by amending Section 285BA of the Income Tax Act, 1961. Income tax Rules, 1962 were amended vide Notification No. 62 of 2015 dated 07th August, 2015 by inserting Rules 114F to 114H and Form 61B to provide a legal basis for the Reporting Financial Institutions (RFIs) for maintaining and reporting information about the Reportable Accounts.

FATCA/CRS provisions are relevant not only at on-boarding stage of investor(s) / unitholder(s) but also throughout the life cycle of investment with the AMC. In view of this, investors should immediately intimate to the AMC, in case of any change in their status with respect to FATCA/CRS related declaration provided by them previously.

The AMC/Trustee reserves the right to reject any application or redeem the units held directly or beneficially in case the applicant/investor(s) fails to furnish the relevant information and/or documentation in accordance with the FATCA/CRS provisions, notified.

Investors(s) / unitholder(s) should consult their own tax advisors to understand the implications of FATCA/CRS provisions/requirements.

38. Joint Applicants

If an application has more than one investor, (maximum three permitted) the investors are required to specify the 'mode of holding' in the initial application form as either 'Joint' or 'Anyone or Survivor'.

In the event, the investors fail to specify the mode of holding, then by default, the mode of holding will be treated as 'Joint' for all future purposes by the AMC in respect of the folio.

In the case of holding specified as 'Joint', all transactions/instructions would have to be signed by all joint holders. However, in cases of holding specified as 'Anyone or Survivor', any one of the unitholders will have the power to make transaction requests/provide instructions, without it being necessary for all the unitholders to sign except for lien requests and appointment of nominee/cancellation of nominee, where signature of all the unitholders is required. However, in all cases, all distributions will be made to the first-named holder only.

However, in both the modes of holding ('Joint' or 'Anyone or Survivor'), the first-named holder (as determined by reference to the original Application Form) shall receive all account statements, notices, and correspondence with respect to the account, as well as the proceeds of any redemption requests or IDCW or other distributions. The Mutual Fund/AMC shall have no liability in this regard to any other unitholder other than the first named holder of units. In addition, such first named unitholders shall have the voting rights, as permitted, associated with such units, as per the applicable guidelines.

In case of death/insolvency of any one or more of the persons named in the register of unitholders as the joint holders of any units, the AMC shall not be bound to recognise any person(s) other than the remaining holders. It is however clarified that if any order/direction/instruction to the contrary is issued by any

Governmental/judicial/quasi-judicial authority, the AMC/Mutual Fund may act in compliance with the same. In all such cases, the redemptions, IDCW and other distributions as may be declared by the Mutual Fund from time to time shall be paid to the first-named of the remaining unitholder/s or as the case may be.

For units held in Electronic (Demat) Mode
For DP account held in joint names, the rules of Depository for operation of such DP accounts will be applicable.

39. Investments on Behalf of Minor

In addition to existing procedures, following procedures shall apply to investments made on behalf of minors:

I. Minor shall be the first and sole holder in the folio. In folios where unit holder is a minor, there can be no joint holders or nominees.
II. The guardian to the minor should either be a natural guardian (i.e. father or mother) or a Court appointed legal guardian. The supporting documents reflecting date of birth of minor, and relationship of minor with guardian should mandatorily accompany the application form. In case of Court appointed legal guardian, supporting documentary evidence shall be required.
III. Investments in the name of minors shall be permitted only from bank account of the minor, parent, or legal guardian of the minor or from a joint account of the minor with the parent or legal guardian only, else the transaction is liable to get rejected.
IV. Irrespective of the source of payment for subscription, all redemption/IDCW etc. proceeds shall be credited only in the verified bank account of the minor i.e. the account the minor may hold with the parent/legal guardian after completing all KYC formalities.

Change of Status from Minor to Major

When the units are held on behalf of the minor, the ownership of the units' rests with the minor. A guardian operates the account until the minor attains the age of majority. Prior to the minor unitholder attaining the age of majority, the AMC/Mutual Fund/RTA will send a notice to the minor unitholder at the registered correspondence address/email id advising such minor unitholder to submit, on attaining the age of majority, an application form along with prescribed documents listed below to change the status of the folio/s from 'minor' to 'major':

- Services Request form, duly filled and containing details like name of major, folio number, etc.;
- New Bank mandate where account changed from minor to major;
- Signature attestation of the major duly attested by the parent/guardian whose signature is registered in the records of Mutual Fund/RTA against the folio of minor unit holder;
- KYC acknowledgement of the major as per current norms;
- FATCA/CRS and additional KYC details and declaration form; and
- Nomination form/declaration for opting out of nomination.

Upon attainment of majority by the minor unitholder, the folio/s should be regularized forthwith. The AMC may specify such procedures for regularisation of the folio/s, as it may deem appropriate from time to time. Till the receipt of such intimation/information from the minor turned major unitholder, existing contract as signed by the parent/legal guardian of the minor unitholder will continue. However, from the date of attainment of majority, folio/s of the minor unitholder will be frozen for operation by the representing guardian, and all transactions will be suspended. No transactions will be permitted in the folio(s) till the regularization of the folio/s in a manner prescribed by the AMC/Mutual Fund.

The AMC/Mutual Fund will register standing instructions like SIP/STP/SWAP etc. for a folio held by a minor unitholder from the parent/legal guardian only till the date when the minor unitholder attains the age of majority, even though the instructions may be for a period beyond that date.

Change in Guardian

In case of change in legal guardian of a minor unitholder, either due to mutual consent or demise of existing guardian, the following documents are required to be submitted:

- Request letter from the new guardian;
- No Objection Letter or Consent Letter from existing guardian or Court order for new guardian, in case the existing guardian is not alive;
- Notarized or attested copy of the Death Certificate of the deceased guardian, where applicable. (Attested by a Special Executive Magistrate, AMC authorised official or Manager of a Scheduled Bank);
- Supporting documents evidencing the relationship of new guardian with the minor unit holder;
- Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian;
- KYC of the new guardian as per current norms; and
- FATCA, CRS and additional KYC details and declaration form.

40. Modes of payout

The AMC may use instruments or payment channels such as NEFT/RTGS/Direct Credit/ACH Credit, etc. ('Electronic Payout') or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in addition to the cheque, demand draft or IDCW warrants. Further, AMC may also use modes of despatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgment due.

Electronic payout are facilities offered by RBI, for facilitating better customer service by direct credit of IDCW/redemption to an investor's Bank Account through electronic credit. This helps in avoiding loss of IDCW/redemption warrant in transit or fraudulent encashment. To facilitate the above electronic credits and minimise errors, the AMC may validate the investors' Bank Account numbers with the respective Banks and/or populate necessary IFSC/MICR codes through publicly available sources or through its Banks.

41. Change in Static Information

Investors, for whom the KYC process has been previously completed, should submit their request for change in static information, viz. Name, PAN, DOB, Address, Email address to any of the Point of Services (PoS) through whom the uniform KYC was recorded. Investors, who have not complied with the KYC requirement, may submit their request for change in static information to the AMC's Registrar. Other information such as bank account details, dividend sub option etc. may be changed by unit holders by submitting a written request to the Registrar. Such changes will be affected within 5 business days of the valid signed request reaching the processing centre of the Registrar, and any interim financial transactions like purchase, redemption, switch, payment of IDCW etc. will be affected with the previously registered details only.

Investors are advised to update their static details immediately on occurrence of change. Please note that, if any change in static information is submitted along with a financial transaction in the same request, such change shall not be processed, and the financial transaction shall get processed with the previously registered details. Unit holders are therefore advised to provide requests for change in static information separately and not along with financial transactions. Investors transacting through the Stock Exchange mechanism should approach their respective DP for non-financial requests/applications such as change of address, change of bank, etc.

42. Non-Profit Organizations

As per Rule (2), sub-rule (1) Clause (cf) of Prevention of Money laundering (Maintenance of Records) Rules, 2005 - "Non-profit organization" means any entity or organization, constituted for religious or charitable purposes referred to in clause (23) of Section 2 of the Income-tax Act, 2025 , that is registered as a trust or a society under the Societies Registration Act, 1860 (21 of 1860) or any similar State legislation or a Company registered u/s 8 of the Companies Act, 2013 (18 of 2013).

All NPOs should register themselves in DARPAN portal of NITI Aayog https://ngodarpan.gov.in/. In case of non-registration, the AMC shall register the details of such NPO investors on the DARPAN portal of NITI Aayog and maintain such registration records for a period of five years after the business relationship between the AMC and the investor has ended or the account has been closed, whichever is later.

43. Any decision of AMC about the eligibility or otherwise of a person to transact under the scheme shall be final and binding on the applicant. AMC shall have the right to accept and/or to reject/compulsorily redeem the transaction at its sole discretion.

B. Default scenario under Plan/Options of the schemes

Plans under the scheme

In terms of para 3.4 of the Master Circular, direct investments by investors, viz. where the investment is not routed through distributors but made directly by the investors, are required to have a separate plan (i.e. Direct Plan) and a separate NAV. Expenses such as distribution expenses, brokerage or commission payable to distributors will not be charged to the investment made via direct investment and hence the Direct Plan will have a lower expense ratio. The scheme offers two Plans – Regular Plan and Direct Plan*.

*Direct Plan: Brokerage/Commission paid to distributors and distribution expenses will not be charged under the Direct Plan. Direct Plan is only for investors who purchase/subscribe units in a scheme directly with the Mutual Fund and is not available for investors who route their investments through a Distributor. Investors may please note that the Direct Plan under the scheme is meant for investors who understands Capital Market, Mutual Funds and Risks associated therewith. The risks associated with the investments in the scheme(s) of Mutual Funds may vary depending upon the investment objective, asset allocation and investment strategy of the scheme(s) and the investments may not be suited for all categories of investors. The AMC believes that investors investing under the Direct Plan of the scheme are aware of the investment objective, asset allocation, investment strategy, risks associated therewith and other features of the scheme and has taken an informed investment decision.

Default Plan

If the application is received incomplete with respect to not selecting Regular/Direct Plan, default plan would be as follows in below mentioned scenarios:

Sr. No.	ARN Code mentioned / not mentioned by the Investor	Plan mentioned by the Investor	Default plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct Plan	Direct Plan
3	Not mentioned	Regular Plan	Direct Plan
4	Mentioned	Direct Plan	Direct Plan
5	Direct Plan	Not mentioned	Direct Plan
6	Direct Plan	Regular Plan	Direct Plan
7	Mentioned	Regular Plan	Regular Plan
8	Mentioned	Not mentioned	Regular Plan

Guidelines for Processing of transactions received under Regular Plan with invalid ARN

In terms of AMFI Best Practices Guidelines Circular No. 111/2023-24 dated February 02, 2024, invalid ARNs shall include the following situations –

- ARN validity period expired;
- ARN cancelled/terminated;
- ARN suspended;
- ARN holder deceased;
- Nomenclature change, as required pursuant to IA Regulations, not complied by the Mutual Fund Distributor;
- Mutual Fund Distributor is debarred by SEBI;
- ARN not present in AMFI ARN database; or
- ARN not empanelled with AMC.

Transactions received in Regular Plan with invalid ARN shall be processed in Direct Plan of the scheme (even if reported in Regular Plan), applying the below logic:

Transaction Type	Primary ARN			Sub Distributor ARN		EUIN*	Execution only mentioned	Regular Plan/ Direct Plan
	Valid	Invalid	Empaneled	Valid	Invalid	Valid		
Lump sum/ Registration	Y	--	Y	--	--	--	Y	Regular
	Y	--	N	Not Applicable				Direct
	Y	--	Y	N.A.	N.A.	N.A.	N	Regular*
	Y	--	Y	Y	--	Y	--	Regular
	--	Y	--	--	--	--	--	Direct
	Y	--	Y	Y	--	--	Y	Regular
	Y	--	Y	--	Y	--	--	Direct
Trigger	Y	--	--	Not Applicable				Regular
	--	Y	--	Not Applicable				Direct

Notes:

1) *If the EUIN is invalid/missing, the transactions shall be processed in Regular plan, and the distributor/investor shall have 30 days period from the date of transaction for remediation of the EUIN. In such cases, the investor shall either provide a different EUIN linked to the ARN who would be engaged in servicing the investor OR switch to Direct Plan. The commission shall not be paid to the ARN holder if the switch transaction does not happen, or fresh EUIN is not provided within 30 days. The commission may be paid if the fresh EUIN is provided by client within 30 days.

2) For SIP & STP facilities, the ARN validity shall be verified/validated at the time of registration. For instances where the registration details are not available in RTA records, the transaction shall be treated as lumpsum purchase for validations. Distributors must reconcile the active/inactive SIPs with RTAs at regular intervals.

3) If the ARN is invalid as on date of SIP/STP registration, such registration and future transactions thereunder will be processed under DIRECT plan.

4) Transactions other than the physical mode which are found to be not in order basis above matrix, will be rejected at the time of upload/submission for following reasons:

a. To give opportunity for the intermediary/platform to rectify details before submitting transactions or to report transactions as DIRECT;
b. If these transactions are accepted and processed as DIRECT, the intermediary placing the transaction will not be receiving reverse feeds and hence will not be able to reconcile.

Since the validation cannot be carried out at the time of acceptance or transactions received in physical form, the same will be done at the time of processing the transaction, and if found to be invalid, the transaction will be processed under DIRECT.

5) Transactions received from the Stock Exchange platforms in Demat mode with invalid ARN shall be rejected instead of processing in Direct Plan for following reasons:

a. Settlement of units will fail at clearing corporation due to mismatch of ISIN;
b. If the RTA processes the transaction in DIRECT Plan, the AMC will face issues with corporate action wherein the clearing corporation will not be able to reconcile and credit the units; and
c. The distributor/broker will not be able to download the reverse feed/mail back report for the transactions reported by the respective distributor in case if we process under Direct Plan.

6) Dividend reinvestment transactions, being a corporate action, will be excluded from the above validation.

7) In cases of wrong/invalid/incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/distributor. In case the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

8) In case an investor submits an application with ARN number which is valid, but the broker/distributor is not empanelled with the AMC, the transaction will be processed under "Direct Plan" or in the manner notified by SEBI/AMFI from time to time.

<u>Treatment of transactions received through Distributors whose AMFI registration/ARN has been suspended temporarily or terminated permanently by AMFI</u>

Investors may please note the following provisions, pertaining to treatment of purchase/switch/SIP/STP transactions received through Distributors whose AMFI registration/ARN has been suspended temporarily or terminated permanently by AMFI:

a) During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. Accordingly, during the period of suspension, commission on the business canvassed prior to the date of suspension shall stand forfeited, irrespective of whether the suspended distributor is the main AMFI Registration Number ("ARN") holder or a sub-distributor.
b) All purchase and switch transactions, including SIP/STP registered prior to the date of suspension and fresh SIP/STP registrations received under the ARN code of a suspended distributor during the period of suspension, shall be processed under "Direct Plan" of the respective scheme and shall be continued under Direct Plan of the respective scheme perpetually*. A suitable intimation in this regard shall be sent to the investor informing them of the suspension of the distributor.
*If the AMC receives a written request/instruction from the unitholder to shift to Regular Plan under the ARN of the distributor post the revocation of suspension of ARN, the same shall be honoured.
c) All purchase and switch transactions including SIP/STP transactions received through the Stock Exchange platforms through a distributor whose ARN is suspended shall be rejected.
d) In case where the ARN of the distributor has been permanently terminated, the unitholders have the following options:

- Switch their existing investments to Direct Plan; or
- Continue their existing investments under the Regular Plan under ARN of another distributor of their choice.

<u>Redemption of Units</u>

The units can be redeemed (i.e., sold back to the Fund) on every business day at the redemption price (hereinafter defined).

In case, a unit holder specifies the redemption amount as well as number of units for redemption, (subject to the minimum redemption amount, if any) the number of units specified will be considered for deciding the redemption amount. If only the redemption amount is specified by the unit holder, the Fund will divide the redemption amount so specified by the applicable NAV based price to arrive at the number of units.

If a unit holder submits a redemption/switch-out request mentioning only the name of the scheme and folio number but not mentioning the units and the amount for redemption, the Fund shall assume that the redemption/switch-out request is for all the units under the stated folio from the scheme and shall redeem all the units.

In case an investor has purchased units on more than one business day, the units purchased prior in time (i.e., those units which have been held for the longest period of time) will be deemed to have been redeemed first i.e., on a First-in-First-out basis. The redemption will be at applicable NAV based prices, subject to applicable exit load.

Transactions without Scheme/Option Name

In case of fresh/additional purchases, if the name of the scheme/plan on the application form/transaction slip differs with from the name on the cheque/demand draft, then the AMC will process the application and allot units at the applicable NAV, under the scheme/plan which is mentioned on the application form/transaction slip duly signed by the investor(s). The AMC reserves the right to call for other additional documents as may be required for processing such transactions. The AMC also reserves the right to reject such transactions.

The AMC thereafter shall not be responsible for any loss suffered by the investor due to the discrepancy of a scheme/plan name mentioned in the application form/transaction slip and cheque/demand draft.

In case of fresh purchases, if the plan name is not mentioned on the application form/transaction slip, then the units will be allotted under the plan mentioned on the cheque/demand draft. The plan/option that will be considered in such cases if not specified by the customer will be the default option of the plan as per the SID.

Redemption/Switch requests when both units and amount mentioned

If an investor submits a redemption/switch request mentioning both the number of units and the amount to be redeemed/switched in the transaction slip, then the AMC reserves the right to process the redemption/switch for the number of units and not for the amount mentioned.

If an investor submits a redemption/switch request by mentioning number of units or amount to be redeemed and the same is higher than the balance units/amount available in the folio under the scheme, then the AMC reserves the right to process the redemption/switch request for the available balance in the folio under the scheme of the investor.

Multiple Requests

In case an investor makes multiple requests in a transaction slip i.e. redemption/switch and change of address or redemption/switch and change of Bank mandate or any combination thereof, but the signature is appended only under one such request, then the AMC reserves the right to process the request under which signature is appended and reject the rest where signature is not appended.

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VI. RIGHTS OF UNITHOLDERS OF THE SCHEME

Following are the rights of the unitholders of the scheme:

- Unit holders of the scheme have a proportionate right in the beneficial ownership of the assets of the scheme.

- Consolidated Account Statement (CAS) detailing all the transactions across all Mutual Funds and holding at the end of the month shall be sent to the unit holders in whose folio(s) transaction(s) have taken place during the month by e-mail on or before 15th day of the succeeding month. In case of a specific request received from the unit holders, the AMC shall provide the account statement to the unit holder within 5 business days from the receipt of such request.

- The Mutual Fund shall dispatch redemption or repurchase proceeds within one business day of accepting the valid redemption or repurchase request. Further, in case of exceptional scenarios as prescribed by AMFI vide its communication no. AMFI/ 35P/ MEM-COR/ 74 / 2022-23 dated January 16, 2023, read with clause 15.3.3 of SEBI Master Circular dated as March 20, 2026, the AMC may not be able to adhere with the timelines prescribed above.

- The Trustee is bound to make such disclosures to the unit holders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.

- The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the unit holders of the scheme.

- 75% of the unit holders of a scheme can pass a resolution to wind-up a scheme.

- The Trustee shall obtain the consent of the unit holders:

a. whenever required to do so by SEBI, in the interest of the unit holders.

b. whenever required to do so if a requisition is made by three-fourths of the unit holders of the scheme.

c. when majority of the Trustees decide to wind up a scheme in terms of clause (a) of sub regulation (2) of regulation 36 of SEBI (Mutual Funds) Regulations, 2026 or prematurely redeem the units of a close ended scheme.

- Trustees shall ensure that no change in the fundamental attributes of any scheme, the fees and expenses payable or any other change which would modify the scheme and affect the interest of the unit holders, shall be carried out by the AMC, unless it complies with clause (c) of sub-regulation (9) of regulation 22 of SEBI (Mutual Funds) Regulations, 2026.

- In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

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VII. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Securities and Exchange Board of India (SEBI) has introduced Investment Valuation Norms and Accounting Policies, aligning with the SEBI (Mutual Funds) Regulations, 2026, which have undergone updates over the years. The Seventh Schedule of these Regulation (Regulation 43) and SEBI circulars detail the norms, methodology, and guiding principles for evaluating the value of investments held by Mutual Fund schemes. These valuation norms are compulsory for assessing securities.

As per SEBI Circular MFD/CIR No.010/024/2000, dated January 17, 2000, all Asset Management Companies (AMCs) must establish a Valuation Committee to supervise their investment valuation processes. Usually, the Valuation Committee includes the COO, CIO, CEO, CRO and Head of Investment Operations.

Annually, the Valuation Committee reviews the investment policies. The Head of Compliance records the meeting's outcomes and discussions. If there is a change to the existing valuation policies, the Valuation Committee must propose it, and it requires approval from the Board of Lakshya Asset Management Private Limited and Lakshya Trustee Private Limited.

This policy details the procedures and methods for determining the value of instruments and investments by AMC. It also specifies the criteria for accounting valuation and is subject to review and revision.

Investments held by schemes of the Fund are typically valued based on the valuation guidelines specified by SEBI periodically. However, in the event of any conflict between the principles of fair valuation and the valuation guidelines issued by SEBI, the principles of fair valuation shall prevail.

Purpose

The Valuation policy and procedures ("the Policy") adopted by the Investment Manager for valuing investments made by the scheme(s) serve several primary purposes:

- Methodologies: The policy describes the methodologies used for valuing each type of securities/assets held by the scheme(s).
- Consistency: It ensures that the securities/assets are consistently valued as per the approved methodology(ies).
- Appropriateness and Accuracy: The policy aims to ensure the appropriateness and accuracy of the methodologies used and their effective implementation in valuing the securities/assets.
- Exception Handling: It describes the process to deal with exceptional events.
- Conflict of Interest: The policy seeks to address any potential conflicts of interest.
- Detection and Prevention of Incorrect Valuation: It devises processes to detect and prevent incorrect valuation.
- Transparency: The policy ensures transparency by making appropriate disclosures.

In essence, the primary objective of the policy is to ensure fair treatment to all investors, including existing and new investors, seeking to purchase or redeem the units of the scheme(s) of Lakshya Mutual Fund at all times. Additionally, the policy values the investments in a manner that reflects their realizable value and ensures fair treatment to all investors.

Deviation from Valuation guidelines

- As per the Principles of Fair Valuation outlined in the Seventh Schedule of SEBI (Mutual Funds) Regulations, 2026, Asset Management Companies (AMCs) are responsible for ensuring the accuracy and fairness of valuation and calculating the Net Asset Value (NAV) correctly. If an AMC chooses to deviate from the valuation price provided by external valuation agencies, it must diligently record the detailed rationale behind each such instance of deviation.

- Valuation Committee is authorized to approve deviations from the Policy, if necessary, to ensure a true, fair, and accurate valuation of the referred security or asset.

- The rationale for deviation, along with pertinent information such as ISIN, issuer name, rating, the valuation price at which the security was assessed, and the impact of the deviation on the scheme's NAV (both in terms of absolute amount and percentage), must be promptly reported to the Board of AMC and Trustees.

- Furthermore, the rationale for deviation, along with the detailed information, shall be made immediately and prominently available on a separate section of the AMC's website.

- Additionally, while disclosing the total number of instances of deviation in the monthly and half-yearly portfolio statements, AMCs must provide the exact link to their website for individuals to access the relevant information.

Money Market and Debt Securities

Money Market and Debt instruments include Certificates of Deposit (CDs), Fixed Coupon Bonds, Zero Coupon Bonds, Pass-Through Certificates, Floating Rate Securities (FRNs), Commercial Paper and Bank Rate Discounted Securities (BRDS), among others.

These instruments shall be valued at an average of their security level prices obtained from AMFI approved valuation agencies (i.e. CRISIL and ICRA).

- If security level prices from valuation agencies are not available for a new security not yet held by any Mutual Fund, it may be valued based on the purchase yield on the date of allotment or purchase.

- The Valuation Committee is tasked with overseeing unusual situations and market disruptions that could hinder the availability or reliability of current market data for security valuation. Such instances should be regularly reported to the Board.

- Any policy modifications resulting from clarifications or communications from AMFI or internal sources will be regularly communicated to the Board.

Other Money Market and Debt Securities

1. Government Securities

   Central Government Securities (CGs), State Development Loans (SDLs), Treasury Bills, Cash Management Bills, and other securities will be valued based on the average of security level prices obtained from valuation agencies.

2. Deposits

   Deposits with Banks shall be valued at the cost-plus accrual basis. In the event of a prepayment penalty, the accrual rate for that period would be the applicable rate minus any prepayment penalty.

3. Tri-Party Repo (TREPS) / Reverse Repo / Corporate Bond Repo

   Valuation of repurchase (repo) transactions including TREPS with tenor of up to 30 days except for overnight repos shall also be valued at mark to market basis based on valuation provided by valuation agencies. The same should be in accordance to SEBI Circular SEBI/HO/IMD/IMD-I PoD-1/P/CIR/2024/163 dated November 26, 2024.

However, if the security level prices provided by valuation agencies are unavailable (which is currently not the case for any Mutual Fund), these securities will be valued at the purchase yield on the date of purchase.

4. Securities purchased on Private Placement Basis

   In the case of securities purchased on a private placement basis, if valuation agencies provide the security prices, they should be valued or priced accordingly.

   If a security is purchased on a private placement basis, its valuation will be based on the purchase yield on the date of purchase. Subsequently, the valuation will be conducted at the average of the security's level prices obtained from valuation agencies.

5. Securities with Call/Put Options

   The embedded securities option would be valued at the following:

a. Securities with Call option

   The securities with call options shall be valued at the lower of the value calculated by valuing the security to its final maturity and valuing the security to the call option. If there are multiple call options, the lowest value obtained by valuing the security to each call date and valuing it to the maturity date is to be considered the instrument's value.

b. Securities with Put option

   The securities with a put option shall be valued at the higher of the value calculated by valuing the security to its final maturity and valuing the security to the put option. If there are multiple put options, the highest value obtained by valuing the security to each put date and valuing it to the maturity date is to be considered the instrument's value.

c. Securities with multiple put options present ab-initio

   In the case of securities with multiple put options present from the outset, where the put option is factored into the security's valuation by the valuation agency, if the fund does not exercise the put option while exercising it would have favoured the scheme, the following steps must be taken:

- Mutual Fund must provide justification for not exercising the put option to the valuation agencies (AMC and Trustee Board) before the last date of the notice period.

- The valuation agencies should not consider the remaining put options for the purpose of valuing the security.

   Put option will be considered in favour of the scheme if the valuation price, excluding the put option, yields a return of more than 30 basis points (bps) over the contractual yield or coupon rate.

d. Securities with both Put and Call option on the same day

   Only securities with put and call options on the same day and having the same put and call option price will be deemed to mature on that put or call date and valued accordingly. In all other cases, the cash flow of each put or call option will be evaluated, and the security will be valued based on the following steps:

- Identify a 'Put Trigger Date': This is the date when the 'price to put option' is the highest relative to other put options and the maturity price.

- Identify a ‘Call Trigger Date’: This is the date when the ‘price to call option’ is the lowest relative to other call options and the maturity price.
- If neither a Put Trigger Date nor a Call Trigger Date (‘Trigger Date’) is available, the valuation will be done based on the maturity price.
- If only one Trigger Date is present, the valuation will be done based on that Trigger Date.
- If both Trigger Dates are present, the valuation will be done based on the earlier Trigger Date.

If a Mutual Fund does not utilize a put option that would benefit the scheme, it must explain this decision to the valuation agencies, the Board of AMC, and the Trustee Company before the notice period concludes.

The Valuation Agencies should not consider the remaining put options when valuing the security.

A put option is considered in favour of the scheme if the valuation price, excluding the put option being evaluated, yields more than the contractual yield or coupon rate by 30 basis points.

6. AT-1 Bonds and Tier-2 Bonds

Valuation of AT-1 and Tier-2 Bonds issued under Basel III framework. AT-1 / Tier-2 Bonds will be valued at average of the security level prices provided by valuation agencies. For arriving at security level pricing, waterfall approach to be followed by valuation agencies is annexed as follows:

- Reference is drawn to clause 10.3.1 and clause 10.4.2 of the Master Circular dated March 20, 2026 for Mutual Funds (“Master Circular”), on valuation of Bonds with multiple call options.

- National Financial Reporting Authority (NFRA), in its report to Department of Economic Affairs, Ministry of Finance, has recommended that since the market practice for AT-1 Bonds has been observed to trade at or quote prices closer to Yield to Call (YTC) basis, valuation of AT-1 Bonds on Yield to Call basis (adjusted with appropriate risk spreads) will be consistent with the principles of market-based measurement under Ind AS 113.

- NFRA, in its report, has further stated that the above recommendation on YTC methodology is confined only to the interpretation of Ind AS 113 with reference to the valuation of AT-1 Bonds and the issue of deemed maturity date for other purposes is outside NFRA’s remit.

- In view of the above, to align the valuation methodology with the recommendation of NFRA, it has been decided that the valuation of AT-1 Bonds by Mutual Funds shall be based on Yield to Call.

- For all other purposes, since liquidity risk of perpetual bonds is required to be suitably captured, deemed maturity of all perpetual bonds shall continue to be in line with the clause 10.4.2 of the Master Circular dated March 20, 2026.

a. Deemed Residual Maturity of Bonds

Deemed Residual Maturity for the purpose of calculation of Macaulay duration for existing as well as new perpetual bonds issued:

Time Period Bonds (Years)#	Deemed Residual Maturity of Base III AT-1
Till March 31, 2022	10
April 01, 2022 – September 31, 2022	20
October 01, 2022 – March 31, 2023	30
March 31, 2023 onwards	100

 # the residual maturity will always remain above the deemed residual maturity proposed above

Time Period	Deemed Residual Maturity of Basel III Tier-2 Bonds (Years)
April 01, 2021 – March 31, 2022 01, 2022 Onwards	10 years or contractual maturity whichever is earlier April contractual maturity

The Macaulay Duration is proposed to be calculated as under for Tier-2 Bonds:

- If the issuer does not exercise call option for any ISIN, then maturity of bonds to be considered as 100 years from the date of issuance of AT-1 Bonds and contractual maturity of Tier-2 Bonds for all the ISINs of the said issuer.

- If the non-exercise of call option is due to financial stress or in case of adverse news, the same must be reflected in the valuation.

b. Guidelines for Valuation

Form two types of ISINs:

- Benchmark ISINs (a non- benchmark ISIN can be linked to only one benchmark ISIN. Currently, SBI ISINs happens to be the benchmark ISINs across all maturities for AT-1 Bonds).
- Non-benchmark ISINs (Will be divided into multiple groups based on similar issuer and similar maturity).
- The groups will be decided in consultation with valuation agencies. The two main criteria envisaged to be used here would be Tier 1 / Tier 2 ratings of the ISINs/Issuers, and the spread range in which the group of ISINs/Issuer's trade over the benchmark.

Take a look back period for trade recognition as under:

- 15 working days for benchmark ISINs;
- 30 working days for non- benchmark ISINs;
- This will be revised to 7 working days for benchmark ISIN and 15 working days for non-benchmark ISINs from October 01, 2021.

Note 1

- If the ISIN gets traded, the traded YTM will be taken for the purpose of valuation.
- If 1 ISIN of the issuer trades, all other ISINs of issuers will be considered as traded but with necessary adjustment of spread to YTM.
- If none of the ISIN of the issuer gets traded, the trade of similar issuer in the group will be taken to valuation with necessary adjustment of spread to YTM of similar issuer similar maturity. If none of the ISIN in a group gets traded on any particular day, an actual trade in a look back period will be seen.
- If there is an actual trade in look back period, the security will be considered as traded and valued with necessary adjustment of spread to YTM. According to this, valuation will be done based on the trade of issuer, trade of similar issuer and as an additional layer a look back period of is requested. It is confirmed that spread over YTM will be taken without any adjustment of modified duration to call.

Note 2
As the valuation is based on trade during the look back period, it is confirmed that a spread will be adjusted to reflect adverse news, change in credit rating, interest rate, etc. which has bearing on the yield of ISIN being valued.

Note 3
If there is no actual trade of any ISIN of the issuer as well as similar issuer during look back period also then valuation will be done by taking spread over matrix and/or polling in line with the waterfall mechanism prescribed by AMFI.

Note 4

AT-1 and Tier-2 Bonds being different categories of Bonds, the valuation of these Bonds will be done separately i.e., ISIN of AT-1 Bond traded will not mean that ISIN of Tier-2 Bonds of the same issuer have also traded. However, if any issuer does not exercise call option for any ISIN, then the valuation and calculation of Macaulay duration should be done considering maturity of 100 years from the date of issuance for AT-1 Bonds and Contractual Maturity for Tier 2 Bonds, for all ISINs of the issuer.

<u>Other Securities</u>

1. Domestic/Overseas Mutual Fund units and Alternative Investment Fund (AIF) units (including units of ETFs):

➢ Domestic Mutual Fund units and Alternative Investment Fund (AIF) units:

Listed and Traded: Units shall be valued at the closing traded price available on the Stock Exchange/s (NSE or BSE) as on the valuation date.
Unlisted and listed but not traded: Units shall be valued at the last declared NAV on AMFI website or CDMDF Fund's website in case of AIF units as on the valuation date.

➢ Scheme shall not invest in overseas securities.

2. Money Market and Debt securities rated below Investment Grade/Default

A money market or debt security is classified as "below investment grade" if its long-term rating, issued by a SEBI-registered Credit Rating Agency (CRA), falls below BBB or if its short-term rating is below A3.

Conversely, it is classified as "Default" if the interest and/or principal amount has not been received on the due date or when the security has been downgraded to "Default" grade by CRA. In such cases, Mutual Funds must promptly inform valuation agencies and CRAs of any instances of non-receipt of interest and/or principal amount (part or full) in any security.

Para 2.0 of SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/41 dated March 22, 2019, provides for valuation of money market and debt securities at prices provided by the valuation agencies notified by AMFI. Until the time script-level valuation is available from the agency, securities are to be valued based on the indicative haircuts provided by the agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. These haircuts shall be updated and refined as and when material information becomes available that impacts the haircuts. During this period, if there are trades in the security, it may be considered for valuation if its price is lower than the price after the standard haircut. In such cases, the minimum trade size will be determined by the valuation agencies.

The current indicative haircuts, as determined by valuation agencies and communicated by AMFI, are:

For senior, secured securities

Rating/ Sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems Jewellery and Others
BB	15%	20%	25%
B	25%	40%	50%
C	35%	55%	70%
D	50%	75%	100%

For subordinated, unsecured or both

Rating/ Sector	Infrastructure, Real Estate, Hotels, Loan against shares and Hospitals	Other Manufacturing and Financial Institutions	Trading, Gems Jewellery and Others
BB	25%	25%	25%
B	50%	50%	50%
C	70%	70%	70%
D	100%	100%	100%

In the context of the Circular, the decision to classify a rating as below investment grade will be made by considering the most conservative rating provided by the instrument's rating agency, if it has multiple ratings.

The AMC may deviate from the indicative haircuts and/or the valuation price for money market and debt securities rated below investment grade, as provided by the valuation agencies. However, this deviation must be justified and documented.

- The AMC must record the detailed rationale for any deviation from the price post-haircuts or the price provided by the valuation agencies. This rationale should include relevant details such as the security's ISIN, issuer name, rating, the price at which it was valued, the price post-haircuts, or the average of the prices provided by the valuation agencies (as applicable), and the impact of the deviation on the scheme's Net Asset Value (in amount and percentage terms) and must be reported to the Board of AMC and Trustees.

- Additionally, the rationale and details will be disclosed to investors under a separate section on the website. Furthermore, the total number of such instances of deviation will be disclosed in the monthly and half-yearly portfolio statements for the relevant period. These statements will also include an exact link to the website where all such instances of deviation are available.

<u>Changes in terms of Investment</u>

Mutual Funds must adhere to the following conditions while making any changes to the terms of an investment:

- Any changes to the terms of investment, such as extending the maturity of a money market or debt security, must be promptly reported to valuation agencies and SEBI-registered Credit Rating Agencies (CRAs) along with the reasons for these changes.
- Any extension in the maturity of a money market or debt security will treat the security as "Default" for valuation purposes.
- Similarly, if the maturity date of a money market or debt security is shortened and then subsequently extended, the security will still be treated as "Default" for valuation purposes.
- Any put option inserted after the issuance of the security will not be considered for valuation purposes. Instead, the original terms of the issue will be used for valuation.

<u>Approach for traded and non-traded money market and debt securities</u>

SEBI, in its Circular dated September 24, 2019, SEBI/HO/IMD/DF4/CIR/P/2019/102, has outlined the fundamental principles for determining traded yields in money market and debt securities. In light of this, the following areas have been identified for the development of standardized guidelines:

- Waterfall mechanism for valuing money market and debt securities
- Definition of tenure buckets for securities with similar maturities
- Process for identifying similar issuers
- Recognition of trades and outlier criteria
- Process for constructing a spread matrix

Valuation of G-Secs (T-Bill, Cash Management Bills, G-Sec and SOL)

The following is the waterfall mechanism for valuation of Government securities:

- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quotes, not wider than 5 bps on NDS OM, subject to outlier validation
- Carry forward of spreads over the Benchmark
- Polling, etc.

Note:

1. *VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these guidelines.*
2. *Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.*

The aforesaid provisions related to Waterfall approach for valuation of debt and money market securities prescribed by SEBI Circular dated September 24, 2019 and AMFI Circular dated November 18, 2019 shall be effective from the date of implementation of the requirements of the circular by the valuation agencies.

Treatment of upfront fees on trades

- Upfront fees on all trades (including primary market trades), by whatever name called, will be considered by the valuation agencies for the purpose of valuation of securities. Details of such upfront fees will be shared with the valuation agencies on the trade date to enable them to arrive at the fair valuation for that date.

- Upfront fees will be reduced from the cost of investment and will be shared on pro-rata basis if the investment in a particular security is made from multiple schemes.

Securities not covered under the current Valuation Policy

In the event that securities purchased by Mutual Funds deviate from the current valuation framework, Mutual Fund must promptly notify AMFI about the situation. Furthermore, at the time of investment, AMCs must ensure that the total exposure to such securities does not exceed 5% of the total AUM of the scheme.

AMFI has been advised that valuation agencies should incorporate the valuation of these securities into the valuation framework within six weeks of receiving the notification from the Mutual Fund.

In the interim period until AMFI implements provisions to cover these securities in the valuation framework, Mutual Fund should value them using their proprietary model, which has been approved by their independent trustees and statutory auditors.

Investment in new type of securities

Mutual Fund scheme will invest in new types of securities or assets only after the Board of the AMC has approved the valuation methodologies for those securities.

Consideration of price of same/similar securities

CRISIL and ICRA will assess the prices of comparable securities using scrip level valuation methodology, as per the agreed-upon methodology with AMFI.

Abnormal Events

Following are some illustrative examples of abnormal situations or market disruptions where current market information may not be sufficient or accurate for valuing securities:

- Significant volatility in the capital markets;
- Natural disasters or public disturbances that unexpectedly force the markets to close;
- Major policy announcements by the Central Bank, the Government, or the Regulator;
- Large redemptions

The Valuation Committee will monitor unusual circumstances. If abnormal situations or market disruptions occur, it will seek advice from the AMC Board or the Board of Directors appointed for this purpose to determine the appropriate valuation methodology for affected securities. Any such unusual circumstances will be reported to the AMC Board at the next meeting.

If the aforementioned valuation policies and procedures do not result in fair or appropriate valuations, the Asset Management Company will deviate from them to value assets or securities at fair value.

Any deviation from the disclosed valuation policy and procedures will be accompanied by appropriate reporting to the Board of Trustees and the Board of the Asset Management Company, as well as disclosures to investors.

Review of Valuation Policy

The Valuation Committee is responsible for continuously reviewing the valuation methodologies used to determine the fair value of each security. They must keep the Board of AMC and the Board of Trustees informed about these reviews.

Furthermore, the Valuation Committee shall have the valuation policy reviewed by an independent auditor at least once annually to ensure its continued appropriateness.

Record Keeping

All the documents that form the basis of valuation will be maintained in either electronic form or physical papers. These records will be preserved in accordance with the norms prescribed by the SEBI (Mutual Funds) Regulations, 2026, and any subsequent amendments thereto.

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VIII. NET ASSET VALUE (NAV)

A. Computation of NAV

NAV per unit of the schemes will be computed by dividing the net assets of the schemes by the number of units outstanding under the schemes on the valuation date.

Mutual Fund will value its investments according to the valuation norms, as specified in Schedule VIII of SEBI (MF) Regulations, or such norms as may be specified by SEBI from time to time. In case of any conflict between the principles of fair valuation & valuation guidelines specified by SEBI, the principles of fair valuation shall prevail. NAV of units under the scheme shall be calculated as shown below:

$$\textbf{NAV (Rs.) per unit} = \frac{\text{Market or Fair Value of scheme's Investments } \mathbf{+} \text{ Current Assets (including accrued income) } \mathbf{-} \text{ Current Liabilities and Provisions (including accrued expenses)}}{\text{No. of units outstanding under the schemes}}$$

The AMC will calculate and disclose the first NAV of the newly launched scheme not later than five business days from the allotment of units. NAV for the scheme will be calculated and announced at the close of each business day. The NAV shall be computed up to four decimals.

Timelines for disclosure of NAV, as per para 9.3.4 of SEBI Master Circular dated March 20, 2026 is tabulated below:

Scheme Type	Timelines
All Mutual Fund schemes except for ones mentioned below	11 pm on T Day
For schemes having exposure to ETCDs	9 am of T+1 Day
Fund of Fund (FOFs) Schemes	10 am of T+1 Day
Schemes including index funds and ETFs investing at least 80% of total assets in permissible overseas investments	10 am of T+1 Day
Schemes unable to disclose NAV as per the timeline mentioned above due to inability to in capturing same day valuation of underlying investment	As per the disclosure made in the SID along with reasons for such delayed disclosure

NAV of the scheme will be calculated and disclosed based on the timelines mentioned above on the website of Lakshya Mutual Fund viz. www.lakshyafunds.com and AMFI's website https://www.amfiindia.com. Also, information regarding NAVs can be obtained by unit holders/investors by calling or visiting the nearest ISC.

B. Procedure in case of delay in disclosure of NAV

The AMC shall update the NAV on its website and of the Association of Mutual Funds in India before 10:00 am of the following business day in case of Fund of Fund schemes and 11:00 pm on every business day for all other schemes.

In case of any delay, the reasons for such delay would be explained to AMFI in writing.

If the NAV is not available before the commencement of business hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reason and explaining when the Mutual Fund would be able to publish the NAV.

The Mutual Fund shall report in the quarterly Compliance Test Report (CTR) the number of days when Mutual Fund were not able to adhere to the above-mentioned time limit for uploading their NAV on the AMFI website with reasons thereof and the corrective action taken by the AMC to reduce the number of such occurrences.

IX. LEGAL AND GENERAL INFORMATION

A. Legal Information

i. Nomination Facility

In terms of Regulation 27 of the SEBI (Mutual Fund) Regulation, 2026, unitholders have an option to nominate person(s):

a. who shall be authorized to conduct transactions on behalf of the unitholder in the event of the incapacitation of the unitholder; and
b. with whom the units held by the unitholder shall vest, as trustee on behalf of the legal heir, in the event of the death of the unitholder.

Where the units are held jointly by more than one unitholder, the joint unitholders may together nominate person(s) with whom all the rights in the units shall vest, as trustee on behalf of the legal heir, in the event of death of all the joint unitholders.

Pursuant to the provisions of para 15.14 (on Nomination for Mutual Fund unit holders) of the Master Circular, as amended from to time, it is mandatory for individual investors subscribing, as single/sole holder, to Mutual Fund units to either provide nomination details or opt out of nomination in prescribed format and manner. It may however be noted that nomination requirements are optional for jointly held folios i.e. investors who are subscribing to the units as joint holders.

Nomination facility enables the investor(s) / unit holders(s), to nominate person(s) (in the manner prescribed under the SEBI (Mutual Fund) Regulation, 2026) in whom the units shall vest in the event of the death of the unitholder(s) subject to the satisfactory completion of certain necessary formalities as may be prescribed by the AMC. Nomination facility, however, does not in any way grant any rights other than those granted by law to the nominee(s). The nominee(s) shall receive the units only as an agent/trustee for the legal heirs or legatees of the deceased unitholder as the case may be. Transmission of units in favour of the nominee(s) shall be a valid discharge by the AMC/Mutual Fund of its liability towards the assets of the deceased unitholder(s) and his/her/their successors/legal heirs. It is however clarified that the Mutual Fund/AMC will not be bound to transmit the units in favour of the nominee if it becomes aware of any dispute in relation to the nominee’s entitlement to the units.

Submission of Nomination or a declaration to opt out of Nomination

Investors are required to submit either the nomination form or the prescribed declaration form for opting out of nomination through physical/offline mode or online mode with following guardrails:

➢ In case of physical/offline nomination, the forms should carry the wet signature of all the unit holder(s). The AMC shall verify the signature(s) as per the mode of holding, while registering or changing nomination. Where an investor affixes his/her thumb impression on the nomination form, then the same shall be witnessed by two persons and details of such witnesses shall be duly captured in the nomination form.

➢ In case of online nomination, the AMC shall validate the nomination through

- digital signature certificate; or
- Aadhaar based e-sign or by using any other e-sign facility recognized under Information Technology Act, 2000; or
- two factor authentication (2FA) in which one of the factors shall be a One-Time Password sent to the registered mobile number and email address of the investor.

Mechanism to opt-out of Nomination

For opting out of the nomination, investors (existing as well as new investors) are required to affirm their choice of 'opting out of nomination' via offline or online facility.

Implication of failure to nominate: In case of individual investors with mode of holding being single/sole, the application will be rejected if the applicant does not provide nomination details or does not opt out of nomination in specified manner.

Terms and conditions: The following terms and conditions have to be complied by the unitholder/investor who wishes to nominate a person to whom the units shall vest in the event of death of the unitholder(s):

- Nomination shall be mandatory for single holding only. However, investors having single holding can opt out of nomination, either online or through physical/offline mode as mentioned above.

- The requirement of nomination shall be optional for jointly held folios. However, in case of a request for nomination/cancellation or modification of nomination request should be signed as per mode of holding registered under folio (a. Either or Survivor - any one of the holders can sign b. Sole Holder – Sole holder should sign. c. Jointly held folios/accounts – both/all holders have to sign). Units held in joint folio shall vest to the nominee(s) in the event of death of all holders.

- In case an investor with single/sole mode of holding does not wish to nominate, he/she must sign separately on the application form, confirming their non-intention to nominate (i.e. opt out from nomination), at the time of making an application.

- Unitholders can, by filing fresh nomination form, make a fresh nomination which will supersede all existing nominations in the folio. There shall be no restrictions on the number of instances an investor can make, change or cancel his/her nomination.

- The investor(s) making the Nomination, shall mandatorily provide the following:

➢ Personal identifiers of the Nominee i.e. any one document such as PAN or Driving License or last 4 digits of Aadhaar (only the document number is required to be provided; not the document). However, in case of NRI/ OCI/PIO, passport number is acceptable;
➢ Full contact details of Nominee(s) such as residential address, e-mail address, telephone/mobile number;
➢ Relationship of Nominee(s) with the investor;
➢ Date of birth of Nominee(s) (if Nominee is a minor).

- A nomination cannot be made in favour of a Trust (except a religious or charitable trust), Society, Body Corporate, Partnership Firm, Karta of HUF, or a Power of Attorney holder.

- A nomination may be made in favour of NRI / POI / OCI subject to the compliance by the unitholder / investor of the applicable laws including the rules and regulations prescribed under FEMA, 1999, as may be applicable and in force from time to time.

- Nomination is not permissible for a folio held on behalf of a minor unitholder. However, a minor can be a nominee, and, in such cases, investor(s) shall have the option to specify guardian(s) when nominee(s) is/are minor(s). Where the guardian's name is specified, the investor shall provide the name, address, and signature of the natural parent/legal guardian representing such minor nominee(s).

- Nomination can also be made in favour of the central government, state government, local authority, any person designated by virtue of his office or a religious or charitable trust.

- Where nominee details and non-intention to nominate both are mentioned, intention to nominate will be considered as "Default". Folio in such case will be updated with Nominee.

- Nomination by a unitholder shall be applicable for all the investments in all scheme(s) held under a particular folio i.e. if nomination is registered at the folio level, then it will be applicable for all investments in all scheme(s) under the said folio.

- Currently, nomination can be made for maximum ten nominees. Effective from September 01, 2026, nomination can be made for maximum of three nominees.

- In case of multiple nominations under the same folio, the unitholder(s) must clearly and unambiguously specify the exact share of each of the nominees as a percentage of the units held by the unitholder(s) making a total of 100%. In absence of such clear and unambiguous indication by the unitholder regarding the exact share of each of the nominees, it will be assumed that the unitholder(s) has opted for the Default Option where the units to be allocated equally among all the nominees and settled accordingly.

- In case of multiple nominees, on the death of one or more nominee prior to the demise of investor and if no change is made in the nomination, the transmission of units shall be made in favour of the remaining nominee(s) on pro rata basis upon demise of the investor.

- Cancellation of nomination registered with the AMC/Mutual Fund can be made only by those unitholder(s) who hold units on their own behalf either singly or jointly and who had made the original nomination. On cancellation of existing nomination, the nomination shall stand rescinded, and the Mutual Fund/AMC shall not be under any obligation to transmit the units in favour of the nominee(s).

- The AMC shall provide acknowledgement to the investors for each and every instance, irrespective of the mode of nomination. Further, AMC shall maintain physical or electronic records, as the case may be, of the nomination, its acknowledgement etc. for a period of 8 years after transmission of the folio.

- The AMC shall provide in periodic statement of holding or statement of account either the a) name(s) of nominee(s) or b) whether or not nomination has been made by the investor – Y/N.

- Any transfer/transmission of units to any other person shall also result in automatic cancellation of the nomination and the Mutual Fund/AMC shall not be under any obligation to transmit the units in favour of the nominee(s).

- Transmission of units in favour of a nominee, shall be a valid discharge by the Mutual Fund/AMC/Trustees against the legal heirs of the unit holder(s).

  For units of the scheme(s) held in Demat Mode – Nomination details provided by the unitholder to the Depository will be applicable to the units of the scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and byelaws of the Depository.

ii. Prevention of Money Laundering Act, 2002 requirements ("PMLA Requirements")

    Under the Prevention of Money Laundering Act, 2002 ("PMLA") and related guidelines issued by SEBI from time to time, are to be completed by all investors (including POA holders and guardian in case of a minor), intending to invest any amounts in units of the Mutual Fund.

Came into effect from July 1, 2005 vide Notification No. GSR 436(E) dated July 1, 2005 issued by Department of Revenue, Ministry of Finance, Government of India. SEBI has issued a 'Master Circular on Anti Money Laundering (AML) Standards/Combating the Financing of Terrorism (CFT) / Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act, 2002 consolidating all the requirements/instructions/obligations of securities market intermediaries issued under the various circulars issued by SEBI with regard to AML/CFT, whereby all intermediaries are advised to take necessary steps to ensure compliance with the requirement of the PML Act inter-alia for the maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India (FIU-IND), New Delhi.

Investors may however, note that the AMC/Mutual Fund reserves the right to conduct enhanced KYC of its investors as may be commensurate with their respective risk profiles. The investor(s) should ensure that the amount invested in the schemes of the Mutual Fund is through legitimate sources only and does not involve and is not designated for the purpose of any contravention or evasion of the provisions of the Income Tax Act, Prevention of Money Laundering Act, Prevention of Corruption Act and/or any other laws in force in India from time to time or any rules, regulations, notifications or directions issued thereunder.

To ensure appropriate identification of the investor and with a view to monitor transactions for the prevention of money laundering, AMC/Mutual Fund reserves the right to seek information, record investor's telephonic calls and/or obtain and retain documentation for establishing the identity of the investor, their beneficial owner(s), proof of residence, source of funds, etc. It may re-verify identity and obtain any incomplete or additional information for this purpose as the case may be. Investor shall provide such documents to the satisfaction of the AMC/Mutual Fund as may be required from time to time. If the investor refuses/fails to provide to the AMC/Mutual Fund, the required documents/information within the period specified, the AMC/Mutual Fund, shall have the sole and absolute discretion to freeze the folio(s) of the investor(s), reject any application and/or report the details of such investor to appropriate authority. The Mutual Fund, AMC and the Trustee Company and its Directors, employees and agents shall not be liable in any manner for any claims arising whatsoever on account of such freezing of folio(s) or rejection of any application or reporting the same to appropriate authorities.

iii. Know Your Customer (KYC)

KYC norms are mandatory for all investors who wish to make investments in Mutual Funds, irrespective of the amount of investment. Investments where KYC is not completed are liable to be rejected.

KYC shall also be mandatory for:

- constituted Power of Attorney (PoA) holder(s), in case of investments through PoA;
- each investor, in case of joint names;
- guardian investing on behalf of a minor;
- if an individual becomes an investor due to operation of law, e.g., transmission of units upon death of an investor, the claimant/person(s) entering the Register of unit holders of the Mutual Fund will be required to be KYC compliant before such transfer takes place.

<u>Know Your Customer (KYC) Procedure</u>

All the prospective and existing investor(s)/unit holders of the Fund are requested to note that, pursuant to SEBI Circular No. MIRSD/Cir-26/2011 dated December 23, 2011, SEBI KYC Registration Agency (KRA) Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011 regarding uniformity in KYC process in the securities market and development of a mechanism for centralization of the KYC records, the following KYC procedure is being carried out:

1. To bring uniformity in KYC process, SEBI has introduced a common KYC application form for all SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes, etc. All new investor(s) are therefore requested to use the Common KYC application form to apply for KYC and mandatorily undergo In Person Verification (IPV) requirements with SEBI registered intermediaries.

2. Trading Member and/or Depository Participants with whom investor(s) is having Trading and/or Demat Account shall perform the initial KYC of its new investor(s) and upload the details of the investors on the system of the KYC Registration Agency (KRA). Registrar and Transfer Agent (RTA) of the Mutual Fund may also undertake the KYC of the investors on behalf of the AMC. KRA shall send a letter to the client within 10 (ten) business days of the receipt of the initial/updated KYC documents, confirming the details thereof. An investor can start investing with the Mutual Fund as soon as the initial KYC is done and other necessary information is obtained while the remaining process of KRA is in progress.

3. The AMC and the distributors, who comply with the certification process of National Institute of Securities Market (NISM) or Association of Mutual Funds in India (AMFI) and have undergone the process of 'Know Your Distributor (KYD)', can perform the IPV for the investors of the Mutual Fund. However, in case of applications received by the Mutual Fund directly from the investors (i.e. not through any Distributor), the AMC may also rely upon the IPV (on the Common KYC form) performed by the Scheduled Commercial Banks.

4. Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including Mutual Funds. However, the AMC reserves the right to carry out fresh KYC to the investors or undertake enhanced KYC measures commensurate with the risk profile of the investor.

5. In terms of the Master Circular, it is mandated by SEBI that, in case of transactions done through Distributor, all KYC documents/Power of Attorney of the investors should be in the custody of AMC or RTA agents of AMC. Trustees have been empowered to ensure compliance with the same.

6. The investor(s) and their attorney, if any, shall produce reliable, independent source documents such as photographs, certified copies of ration card/passport/driving license/PAN card, etc. and/or such documents or produce such information as may be required from time to time for verification of the identity, residential address and financial information of the investor(s) by the AMC/Mutual Fund.

7. If the investor(s) or the person making payment on behalf of the investor(s) refuses/fails to provide the required documents/information within the period specified in the communication(s) sent by the AMC to the investor(s), then the AMC, after applying appropriate due diligence measures, believes that the transaction is suspicious in nature within the purview of the Act and SEBI circulars issued from time to time and/or on account of deficiencies in the documentation, shall have absolute discretion to report suspicious transactions to FIU-IND and/or to freeze the folios of the investor(s), reject any application(s)/allotment of units, and effect mandatory redemption of unit holdings of the investor(s) at the applicable NAV subject to payment of exit load, if any, in terms of the said communication sent by the AMC to the investor(s) in this regard.

8. The KYC documentation shall also be mandatorily complied with by the holders by virtue of operation of law e.g., transmission, etc. Mutual Fund, AMC, its Trustees and their Directors, employees, and agents shall not be liable in any manner for any liability arising whatsoever on account of freezing the folios/rejection of any application/allotment of units or mandatory redemption of units due to non-compliance with the provisions of the Act, SEBI Circular(s), and KYC policy and/or where the AMC believes that the transaction is suspicious in nature within the purview of the Act and SEBI circular(s) and reporting the same to FIU-IND.

   Thus, it is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of a folio of a minor investor.

Financial and non-financial transactions requests will not be processed if the unit holders have not completed KYC requirements. Unit holders are advised to use the applicable KYC Form for completing the KYC requirements.

Investor(s) who subscribe to the units through Stock Exchange(s) and units held in electronic (Demat) mode, KYC performed by the Trading Member and/or Depository Participants of the investor(s) will be considered as KYC verification done by the Trustee/AMC.

Know Your Customer (KYC) Norms (Applicable with effect from April 01, 2024)

As per SEBI Master Circular SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023, as amended from time to time, as a part of the risk management framework, the KYC Registration Agencies (KRAs) shall verify the following attributes of records of all investors within 2 days of receipt of KYC records:

- PAN
- Name
- Address
- Mobile Number
- Email ID

If KRA is unable to verify the above attributes, such investors shall not be allowed to transact further until the attributes are verified. Investors should ensure that they provide their valid contact details [Email ID and Mobile Number] to KRAs.

KYC Status	Investments in existing Mutual Funds	Investments in new Mutual Funds	Remediation
KYC VALIDATED (Existing records prior to April 01, 2024)	No impact	No impact	Not required
KYC REGISTERED	No impact	Allowed, fresh set of KYC documents to be submitted every time, investing in a new Mutual Fund	An investor can do a re-KYC using Aadhaar as OVD (Officially Valid Document) to remediate the status to KYC VALIDATED for seamless transactions in the securities market.
KYC on HOLD/ REJECTED	Transactions will not be allowed	Transactions will not be allowed	Investor should ensure to do the following to change the status to "Registered": - To complete PAN Aadhaar seeding; - Update Email ID/Mobile Number and validate; and - Re-submit the pending documents to KRA Investors are suggested to do a re-kyc using Aadhaar as OVD (Officially Valid Document) to remediate the status to KYC VALIDATED for seamless transactions in securities market.

As per SEBI Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2024/41 dated May 14, 2024, records of investors whose attributes are verified by KRAs with official database and PAN-AADHAAR linkages are verified shall be considered as validated records.

iv. Transfer of units

Unit holders are given an option to hold the units by way of an Account Statement (physical form) or in Dematerialized (demat form).

Transfer of units held in Demat mode

Units held in Demat form are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be affected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized mode. Further, for the procedure of release of lien, the investors shall contact their respective DP.

Since, any addition/deletion of name(s) from a folio is deemed as transfer of units, additions/deletions of names are not allowed in any folio(s) of any scheme offered by the Mutual Fund. However, a person becoming entitled to hold the units in consequence of the death, insolvency, or winding up of the sole holder or the survivors of joint holders, upon producing evidence and documentation to the satisfaction of the Fund and upon executing suitable indemnities in favour of the Fund and the AMC, shall be registered as a unit holder if the transferee is otherwise eligible to hold the units.

Transfer of units held in non-Demat mode

If an applicant so desires to transfer units held in paper/physical form (SoA mode), the same can be done post conversion of units from paper/physical form to demat form. The AMC, upon submission of documents which will be prescribed from time to time, shall issue units in dematerialized form to a unit holder in a scheme within two working days of the receipt of request from the unitholder. AMC reserves the right to accept the request for dematerialization of units. AMC also reserves the right to reject the application for dematerialization of units, post acceptance of the same, if any of the requisite documents/declarations are unavailable or incomplete.

In addition, pursuant to AMFI Best Practices Guidelines Circular No.135/BP/116/2024-25 dated August 14, 2024, read with AMFI Best Practice Guidelines Circular No. 119/2025-26 dated May 08, 2025, all investors under Resident/Non-resident individual category holding units in SoA form can also transfer units through online mode via the transaction portals of the RTA and the MF Central.

The facility for transfer of units held in SoA mode shall be available only through online mode via the transaction portals of the RTA and the MF Central, i.e., the transfer of units held in SoA mode shall not be allowed through physical/paper-based mode or via Stock Exchange platforms, MFU, channel partners and EOPs etc.

The primary holder, Plan, Option, and the ARN (in case of Regular Plan) in the transferor's folio shall remain unchanged upon transfer of units in the transferee folio.

Partial transfer of units held in a folio shall be allowed. However, if the balance units in the transferor's folio falls below specified threshold/minimum number of units, if any, as specified in the SID, such residual units shall be compulsorily redeemed, and the redemption amount will be paid to the transferor.

If the request for transfer of units is lodged on the record date, the IDCW payout/reinvestment shall be made to the transferor. Also, there should be no 'lien' or freeze on the units being transferred for any reason or units should not be under any lock -in period.

In order to mitigate the risk, redemption under the transferred units shall not be allowed for 10 days from the date of transfer. This will enable the investor to revert in case the transfer is initiated fraudulently.

The surviving unit holder/nominee/minor unitholder who has turned major, will need to first complete the required process for transmission of units or change of status from minor to major (as the case may be), after submission of required forms/documents as prescribed and should be registered as the rightful unitholder of the units in the folio to be eligible to apply for such transfer.

Stamp duty for transfer of units, if/where applicable, shall be payable by the transferor from the bank account registered in the folio and the same shall be collected by the RTA from the transferor through online mode. The consideration value for the purpose of stamp duty shall be calculated as per the latest available NAV. For the purpose of calculation of the amount of stamp duty, the consideration value will be calculated as per the last available NAV (irrespective of the amount of consideration mentioned by the transferor in the transfer request).

Illustration: Where transfer request is submitted on, say, Wednesday before declaration of NAV for Wednesday, the previous day's NAV i.e., Tuesday's NAV would be available and the same will be applied by the RTA to determine the amount of stamp duty. If the transfer request is logged at, say, 11.30 p.m. after publication of Wednesday's closing NAV, the same shall be applied. Likewise, if the transfer request is submitted on a non-business day, the closing NAV of the previous business day shall be considered for arriving at sale consideration amount and stamp duty computation.

v. EUIN Requirement

Pursuant to SEBI Master Circular for Mutual Funds, Mutual Funds are directed to capture Unique Identity Number (EUIN) of the employee/relationship manager/salesperson of the distributor interacting with the investor(s) for the sale of Mutual Fund products in addition to the AMFI Registration Number (ARN) of the distributor in the application form.

Investors procuring advisory services from non-individual distributors are requested to note that EUIN would assist in tackling the problem of mis-selling even if the employee/relationship manager/salesperson leave the employment of the distributor.

Hence, if investments are routed through a distributor, investors are requested to ensure that ARN code, Sub broker ARN code, and EUIN is correctly filled up in the application form. Further, investors are requested to use application forms/transaction forms which will have space for the Sub broker ARN code and EUIN.

vi. Duration of the Scheme

The duration of open-ended schemes is perpetual, while that of the close-ended schemes is as mentioned in the relevant SIDs. However, in terms of the SEBI (Mutual Fund) Regulation, 2026, a close-ended scheme shall be wound up on the expiry of the duration fixed in the scheme on the redemption of the units unless it is rolled over for a further period as mentioned in sub-regulation (1) of Regulation 36 of SEBI (Mutual Fund) Regulations, 2026 and any amendment made thereof.

<u>Winding up</u>

A scheme of a Mutual Fund is to be wound up:

- On happening of any event, which in the opinion of Trustee, requires the scheme concerned to be wound up; or
- If 75% of the unit holders of the scheme concerned pass a resolution that the scheme be wound up; or
- If SEBI so directs in the interests of unit holders.

Where a scheme is to be wound up, Trustees shall give notice within one day, disclosing the circumstances leading to the winding up of the scheme to SEBI and in two daily newspapers having circulation all over India, a vernacular newspaper circulating at the place where the Mutual Fund is formed.

Provided that where a scheme is to be wound up on happening of any event, which in the opinion of the Trustee, requires the scheme concerned to be wound up, Trustees shall obtain consent of the unit holders participating in the voting by simple majority on the basis of one vote per unit and publish results of voting within 45 days from the publication of notice.

Provided further that in case the Trustees fail to obtain the required consent of the unitholders, the scheme shall be reopened for business activities from the second business day after publication of results of the voting.

Effect of winding up

On and from the date of publication of notice as specified above, the Trustee/the AMC as the case may be, shall:

- Cease to carry on any business activities in respect of the scheme so wound up;
- Cease to create or cancel units in the scheme; and
- Cease to issue or redeem units in the scheme.

Procedure and manner of winding up

- The Trustee shall call a meeting of the unitholders to approve by simple majority of the unitholders present and voting at the meeting by passing a resolution for authorizing the Trustees or any other person to take steps for winding up of the scheme. Provided that a meeting of the unitholders shall not be necessary if the scheme is wound up at the end of the maturity period of the scheme.
- The Trustee or the person authorized above shall dispose of the assets of the scheme concerned in the best interest of the unitholders of that scheme.
- The proceeds of sale realized in above clause shall be first utilized towards the discharge of such liabilities as are due and payable under the scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unitholders in proportion to their respective interest in the assets of the scheme as on the date when the decision for winding up was taken.
- On the completion of the winding up, the Trustee shall forward to SEBI and the unitholders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Fund before winding up, expenses of the Fund for winding up, net assets available for distribution to the unitholders, and a certificate from the auditors of the Fund.
- The provisions of these regulations in respect of disclosures of half-yearly reports and annual reports shall continue to be applicable until winding up is completed or the scheme ceases to exist.
- After the receipt of the report from the auditors of the Fund, if SEBI is satisfied that all measures for winding up of the scheme have been complied with, the scheme shall cease to exist.

vii. Lien/pledge of units

Units standing to the credit of the unit holder under the scheme(s) (subject to completion of lock-in period, if any) may be offered by the unitholder as security in favour of scheduled banks, financial institutions, non-banking finance companies or any other persons ("lender") subject to applicable SEBI (Mutual Fund) Regulation, 2026, and other laws, provided such lenders are eligible to hold the units.

Upon a specific authorisation request made by the unitholder (to be signed by all unitholders, in case the mode of holding is joint or either-or survivor) and completion of necessary documentary formalities, Mutual Fund/AMC will instruct the Registrar to mark a pledge/lien on the units in favour of the lender on the units as may be requested by the unitholder.

A standard form for this purpose is available on request from any of the ISCs. Disbursement/sanctioning of loans/facilities will be at the sole discretion of the lender, and the Mutual Fund/AMC assumes no responsibility thereof.

Unitholder will not be able to redeem/switch-out the units that are pledged/lien marked in favour of the lender until the Mutual Fund/AMC receives a written authorization from the lender that the unitholder has been absolved of the financial obligations and that the pledge/lien may be removed/vacated.

As long as the units are pledged/lien marked, the lender will have complete authority to redeem/transact in respect of such units. If by enforcing the pledge/lien, the lender seeks to transfer the units in its own name, then in such event the Mutual Fund/AMC shall be obliged to comply with the said request, provided the lender or such other entity, as the case may be, is eligible to hold the units and all the necessary documentary evidence is made available to the satisfaction of the Mutual Fund/AMC. Upon such transfer, the Mutual Fund/AMC shall be discharged of all its liabilities in respect of the units towards the unitholder.

An intimation of the invocation of the pledge/lien will be sent to the unitholder. The Mutual Fund/AMC thereafter shall not be responsible for any claims made and/or losses incurred by the unitholder and/or any third party in this regard. In case the units of close-ended scheme are under pledge/lien, then at the time of maturity of the scheme if the units are still under pledge/lien, then on the failure to receive any instructions from the lender and the unitholder, the Mutual Fund/AMC reserves the right to pay the maturity proceeds to the unitholder, post intimation of such payment to the lender, and AMC/Mutual Fund shall not be liable/responsible for any loss incurred by the lender and/or the unitholder on account of such payment. The AMC/Mutual Fund shall also not be liable/responsible for any delay in payment of the maturity proceeds in such an event. Upon such payment, the Mutual Fund/AMC will be discharged of all its liabilities towards such unitholder.

The distribution of income in the nature of IDCW payouts declared on units under pledge/lien shall always be paid to the unitholder. The Mutual Fund/AMC reserves the right to change the operational guidelines for this facility offered by the AMC from time to time.

For units held in electronic (Demat) mode, the rules/bye-laws of Depository for lien/pledge will be applicable to the units of the scheme(s).

viii. Unclaimed Redemption / IDCW Amount

The unclaimed redemption amount and IDCW amounts (the funds) may be deployed by the Mutual Fund in call money market or money market instruments and/or in separate plan of Overnight scheme/Liquid scheme/Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts, provided such schemes are placed in A-1 cell (Relatively Low-Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix.

AMCs shall not be permitted to charge any exit load in this plan, and the Base Expense Ratio (BER) of such plan shall be capped as per the BER of Direct Plan of such scheme or at 50 bps, whichever is lower. Further, for the unclaimed redemption and IDCW amounts deployed by Mutual Funds in call money market or money market instruments, the investment management and advisory fee charged by the AMC for managing unclaimed amounts shall not exceed 50 bps.

Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education.

The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/IDCW amounts are made available to investors upon them providing proper credentials, on website of Mutual Funds and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms/documents required for the same.

Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts/Consolidated Account Statement sent to the investors.

Mutual Fund Investment Tracing and Retrieval Assistant (MITRA)

As per para 15.6 of the Master Circular, a service platform for investors to trace inactive and unclaimed Mutual Fund folios 'MITRA' is developed and hosted by the Registrar & Transfer Agents (CAMS and KFintech), it is available through a link (Trace inactive and unclaimed Mutual Fund folios (MITRA Link)) on our website and also on the website(s) of MF Central, AMFI, RTAs and SEBI. The objective of the platform is to encourage the investors to search for forgotten MF investments and update KYC as per the current norms.

MITRA platform contributes towards building a transparent financial ecosystem and a reliable medium for investors to find their inactive and unclaimed MF investments. Platform facilitates the investors with a searchable database of inactive and unclaimed Mutual Fund folios at an industry level which helps the investors in following manner:

- Enable investors/legal claimants to identify the overlooked investments or any investments made by any other person for which he/she may be rightful legal claimant;
- Encourage investors to do KYC as per the current norms thus reducing the number of non-KYC compliant folios;
- Contribute towards building a transparent financial ecosystem and will be reliable medium for investors to find their inactive and unclaimed Mutual Fund investments; and
- Build and incorporate mitigants against fraud risk.

An inactive folio is defined as "Mutual Fund Folio(s) where no investor-initiated transaction/s (financial and non-financial) have taken place in the last 10 years, but unit balance is available". This portal displays only Fund Names and investor must approach the AMC for more information.

Investors have to submit request to redeem unclaimed units. Investors can either submit 'Financial Transaction Form' OR simple request letter for claiming of unclaimed units at any of our OPAs. The form needs to be duly signed as per the mode of holding.

To process the claim, valid bank account details are required. Investors are requested to get the bank account updated in their folio prior submitting the claim request.

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B. General Information

i. Aggregate investment in the scheme under the following categories:

In accordance with paragraph on 'Scheme Related Disclosures' of SEBI Master Circular, the aggregate investment in the respective scheme(s) by Board of Directors of the AMC and key personnel needs to be disclosed. Since the AMC is yet to start the operation, the below disclosure to be read as 'Not Applicable'.

	Aggregate amount invested in the scheme as on _________ (Market Value in Rs.)		
Scheme Name	**AMC's Board of Directors**	**Key Personnel (excluding Fund Manager)**	**Fund Manager**
Not Applicable	Not Applicable	Not Applicable	Not Applicable

ii. ASBA Disclosures

Additional mode of payment through Applications Supported by Blocked Amount (ASBA) facility:

Pursuant to para 15.10 of SEBI Master Circular for Mutual Funds, an investor can subscribe to the New Fund Offers (NFOs) launched through ASBA facility by applying for the units offered under the Option(s)/Plan(s) of the scheme(s) in the ASBA application form and following the procedure as prescribed in the form. Hence, all the NFOs to be launched by the Mutual Fund shall have ASBA facility, which will co-exist with the existing mode of subscription.

ASBA is an application containing an authorization given by the investor to block application money in his/her specified Bank Account towards the subscription of units offered during NFO of scheme of Lakshya Mutual Fund.

Thus, for an investor who applies through ASBA facility, the application money towards the subscription of units shall be debited from his/her specified Bank Account only if his/her application is selected for allotment of units.

Benefits of applying through ASBA facility:

- Writing cheques and demand drafts is not required, as investor needs to submit ASBA application form accompanying an authorization to block the account to the extent of application money towards subscription of units. The balance money, if any, in the account can be used for other purposes by the investors.
- Release/unblocking of blocked funds after allotment is done instantaneously.
- Unlike other modes of payment, ASBA facility prevents the loss of interest income on the application money towards subscription of units as it remains in the Bank Account of the investor till the allotment is made.
- Refunds of money to the investors do not arise as the application money towards subscription of units gets blocked only on the allotment of units.
- The investor deals with the known intermediary i.e. his/her own Bank.

ASBA Procedure

a. An investor intending to subscribe to the units of the NFO through ASBA, shall submit a duly completed ASBA application form to a Self-Certified Syndicate Bank (SCSB), with whom his/her Bank Account is maintained.

b. An ASBA investor shall submit a duly filled up ASBA application form, physically or electronically to the SCSB with whom the investors hold the Bank Account which is to be blocked.

- In case of ASBA application in physical mode, the investor shall submit the ASBA application form at the Bank branch of SCSB, which is designated for the purpose and the investor must be holding a Bank Account with such SCSB; and

- In case of ASBA application in electronic form, the investor shall submit the ASBA application form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for subscribing to units of Mutual Fund schemes authorizing to block the subscription money in a Bank Account.

c. An acknowledgement will be given by the SCSB in the form of the counter foil or specifying the application number for reference. Such acknowledgement does not guarantee, in any manner that the investors will be allotted the units applied for.

   Note: If the Bank Account specified in the ASBA application form does not have sufficient credit balance to meet the application money towards the subscription of units, the Bank shall reject the ASBA application form.

d. On acceptance of physical or electronic ASBA, the SCSB shall block funds available in the Bank Account specified to the extent of the application money specified in the ASBA application form.

e. ASBA application form will not be accepted by any of the offices of Lakshya Mutual Fund or its Registrar & Transfer Agent.

f. The application money towards the subscription of units shall be blocked in the account until (i) Allotment of units is made; or (ii) Rejection of the application; or (iii) Devolvement of the scheme, as the case may be.

g. SCSBs shall unblock the Bank Accounts for (i) Transfer of requisite money to the Mutual Fund/Scheme Bank Account against each valid application on allotment; or (ii) in case the application is rejected.

h. During processing of the ASBA application forms by R&TA, if the application is found to be incomplete or incorrect, the SCSB will be informed on the same who will then unblock the investor account with appropriate remarks in the investor account.

iii. Borrowing

Under SEBI (Mutual Fund) Regulation, 2026, the Mutual Fund is allowed to borrow to meet the temporary liquidity requirements of its scheme(s) for the purpose of repurchase or redemption of units or the payment of interest or IDCW to the unitholders or for settlement of trades by equity oriented index funds and equity oriented exchange traded funds on account of under execution of sell trades on the stock exchange in the manner as may be specified by SEBI from time to time. Further, as per the SEBI (Mutual Fund) Regulation, 2026, the Mutual Fund shall not borrow more than 20% of the net assets of the scheme and the duration of such borrowing shall not exceed a period of six months.

In accordance with para 11.20 of the Master Circular, the cost of borrowings shall be adjusted against the portfolio yield (i.e. Yield to Maturity (YTM) of the Fund as on previous day) of the scheme and borrowing costs in excess of portfolio yield, if any, shall be borne by the AMC.

The limit (20%) for borrowing shall not be applicable for intraday borrowing subject to such conditions as may be specified by SEBI from time to time.

iv. Consolidation of Folios

In case an investor holds investments in multiple folios under the Fund, the investor can opt for consolidation of such folios into one folio (Target/Master folio) by sending a written request to the Mutual Fund/AMC. The Mutual Fund/AMC will process such requests subject to verification of criteria’s viz. mode of holding, bank mandate, tax status, mode of operation and nomination details in the source folio and other confirmations/requirements, etc. as may be requested from the investors.

Subject to the provisions of SEBI (Mutual Fund) Regulation, 2026 as amended from time to time and circulars issued thereunder, the AMC reserves the right to consolidate all the folios into one folio, based on such criteria as may be determined by the AMC from time to time. In case of additional purchases in same scheme/fresh purchase in new scheme, if the investor fails to provide the folio number, the AMC reserves the right to allot the units in the existing folio, based on such integrity checks as may be determined by the AMC from time to time.

v. E-mail communication

For those unitholders who have provided an e-mail address, the AMC will send the communication by e-mail. It is deemed that the unitholder is aware of all security risks including possible third-party interception of the documents and contents of the documents becoming known to third parties.

vi. Website

The website of the Fund/AMC is intended for the use of Resident Indians, NRIs, PIO and FIIs registered with SEBI. It should not be regarded as a solicitation for business in any jurisdiction other than India. In particular the information is not for distribution and does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction where such activity is prohibited. Any person's resident outside India who nevertheless intend to transact in the schemes of the Fund, must first satisfy themselves that they are not subject to any local requirements, which restrict or prohibit them from doing so. Information other than that relating specifically to the AMC/Fund and its products is for information purposes only and should not be relied upon as a basis for investment decisions. The Fund/AMC cannot be held responsible for any information contained in any website linked from the Mutual Fund website.

The investors are requested to read the terms and conditions given on the website carefully before using the website. By using the website, the investor will be deemed to have agreed that the terms and conditions specified apply to the use of the investor of the website, any information obtained from the site, and our products and services. If the investor does not agree to the specified terms, the investor may not use the website or download any content from it.

vii. Scheme(s) to be binding on the unit holders

Subject to the SEBI (Mutual Fund) Regulation, 2026, the Trustee may, from time to time, add or otherwise vary or alter all or any of the features of investment options/facilities and terms of any of the scheme(s) after obtaining the prior permission of SEBI and Unitholders (where necessary), and the same shall be binding on all the unitholders of such scheme and any person or persons claiming through or under them as if each unitholder or such person expressly had agreed that such features and terms shall be so binding. Any additions/variations/alterations shall be done in accordance with the SEBI (Mutual Fund) Regulation, 2026. Any change in fundamental attribute of the scheme(s) shall be done only in accordance with Regulation 22(9)(c) of SEBI (Mutual Fund) Regulation, 2026.

viii. Fractional units

Unit holders are requested to note that requests made for units to be held in dematerialized, which are or shall be listed on any recognized Stock Exchange(s), would be allotted in whole numbers and no fractional units will be allotted. As the units will not be allotted in fractions, any excess amount will be refunded to the investors.

ix. Unambiguous and unconditional requests

Any application for redemption, purchase or exchange or any other instruction must be correct, complete, clear, and unambiguous in all respects and should conform to the prescribed procedure/documentation requirements, failing which the Trustee/AMC reserve the right to reject the same and in such a case the Trustee/AMC will not be responsible for any consequence therefrom. Investor shall ensure that any overwriting or correction shall be countersigned by the investor, failing which the Fund/Trustee/AMC may at its sole discretion reject such transaction request. Further, any requests for purchase/redemption/switch or other transactions must be unconditional. The Fund/Trustee/AMC shall not be bound to take cognizance of any conditions placed on the transaction request and may at its sole discretion, reject such transaction request, or process the same as if the condition were not mentioned.

x. Acts done in good faith

Any act, thing or deed done in good faith in pursuance of or with reference to the information provided in the application or other communications received from the investor/unit holder will constitute good and full discharge of the obligation of the Fund, Trustee, and the AMC.

In cases of copies of the documents/other details such as list of authorized signatories, that are submitted by a limited company, body corporate, registered society, trust or partnership, if the same are not specifically authenticated to be certified true copies but are attached to the application form and/or submitted to the Fund, the onus for authentication of the documents so submitted shall be on such investors and the AMC/Fund will accept and act on these in good faith wherever the documents are not expressly authenticated. Submission of these documents/details by investors shall be full and final proof of the corporate investor's authority to invest and the AMC/Fund shall not be liable under any circumstances for any defects in the documents so submitted.

In cases where there is a change in the name of such investor, such a change will be affected by the AMC/Fund only upon receiving the duly certified copy of the revised Certificate of Incorporation issued by the relevant Registrar of Companies/registering authority. In cases where the changed PAN reflecting the name change is not submitted, such transactions accompanied by duly certified copy of the revised Certificate of Incorporation with a copy of the Old PAN Card and confirmation of application made for new PAN Card will be required as a documentary proof.

xi. Cash investments in the scheme

Pursuant to para 17.6 of the Master Circular, in order to help enhance the reach of Mutual Fund products amongst small investors, who may not be taxpayers and may not have PAN/Bank Accounts, such as farmers, small traders/businessmen/workers, SEBI has permitted receipt of cash for purchases/additional purchases to the extent of Rs. 50,000/- per investor, per Mutual Fund per financial year subject to (i) compliance with Prevention of Money Laundering Act, 2002 and rules framed there under; SEBI Circular(s) on Anti Money Laundering (AML) and other applicable AML rules, regulations, and guidelines and (ii) sufficient systems and procedures in place. However, payment of redemption/IDCW proceeds, etc. with respect to aforementioned investments shall be paid only through banking channel.

Currently, the AMC is not accepting cash investments. As and when the AMC starts accepting cash investments a notice shall be provided in this regard when the facility is made available.

xii. Processing of redemption/switch/systematic transaction request(s) where realization status is not available

The Fund shall place the units allotted to investor on hold for redemption/switch/systematic transactions till the time the payment is realized towards the purchase transaction(s). The Fund also reserves the right to reject/partially process the redemption/switch/systematic transaction request, as the case may be, based on the realization status of the units held by the investor.

In both the above cases, intimation will be sent to the investor accordingly. Units which are not redeemed/switched will be processed upon confirmation of realization status and on submission of fresh redemption/switch request.

xiii. Non-acceptance/processing of purchase request(s) due to repeated cheque bounce

With respect to purchase request submitted by any investor, if it is noticed that there are repeated instances of two or more cheque bounces, the AMC reserves the right to, not to accept/allot units for all future purchase of such investor(s).

xiv. Overwriting on application forms/transaction slips

In case of corrections/overwriting on key fields (as may be determined at the sole discretion of the AMC) of the application forms/transaction slips, the AMC reserves the right to reject the application forms/transaction slips in case the investor(s) have not countersigned in each place(s) where such corrections/overwriting have been made.

xv. Folio(s) under lien

If the units are under lien at the time of redemption from the scheme, then the AMC reserves the right to pay the redemption amount to the person/entity/bank/financial institution in whose favour the lien has been marked. An intimation of such payment will be sent to the investor. The AMC thereafter shall not be responsible for any claims made by the investor/third party on account of such payments.

xvi. Updation of email address and mobile number

Investors are requested to update their own email address and mobile number for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions.

xvii. Power to make rules

Subject to the Regulations, the Trustee may, from time to time, prescribe such terms and make such rules for the purpose of giving effect to the scheme with power to the AMC to add to, alter or amend all or any of the terms and rules that may be framed from time to time.

xviii. Power to remove difficulties

If any difficulties arise in giving effect to the provisions of the scheme, the Trustee may, subject to the Regulations, do anything not inconsistent with such provisions, which appears to it to be necessary, desirable, or expedient, for the purpose of removing such difficulty.

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C. Associate Transactions

Investment in Group Companies or companies lead managed by the Sponsor or any of its associates:

Since this is the first scheme to be launched by the AMC, the disclosures under this section are not applicable. Investments, if any made in the group or associate companies of the AMC or Sponsor, shall be made as per the investment policy.

The following disclosures, summarizing historical information pertaining to the last three fiscal years of the schemes of the Mutual Fund under the management of the AMC, reflecting associate transactions and the manner in which such transactions affected the performance of schemes of the Mutual Fund, are required. These disclosures would ordinarily include any underwriting obligations undertaken by the schemes of the Mutual Fund with respect to issues of associate companies, devolvement, if any, of such commitments, subscription by the schemes in issues lead managed by associate companies, total business given to associate brokers and the percentage of brokerage commission paid to them, and any distribution of units performed by associate companies.

However, as the AMC has not yet launched any schemes of the Mutual Fund, the above disclosures are not applicable at present.

As the AMC is yet to launch the first scheme, there are no schemes of the Mutual Fund that have invested more than 25% of its net assets in group companies.

Mutual fund does not propose to have dealings, transactions, and services for marketing and distribution of the schemes with associates of the sponsor or the AMC, and accordingly, there will be no commissions that may be paid to them.

Utilization of services of the Associates: The AMC, on behalf of the Mutual Fund, may utilize the services of Sponsors, group companies, and any other subsidiary or associate company of the Sponsors established or to be established at a later date, in case such a company (including their employees or relatives) is in a position to provide the requisite services to the AMC. The AMC will conduct its business with the aforesaid companies (including their employees or relatives) on commercial terms and on an arms-length basis and at a mutually agreed terms and conditions to the extent and limits permitted under the SEBI Regulations. Appropriate disclosures, wherever required, shall be made by the AMC.

D. Documents available for Inspection

The following documents will be available for inspection at the office of the Mutual Fund situated at Commerce House – 4, 03rd Floor, 100 Feet Road, Anand Nagar, Ahmedabad – 380 015, Gujarat, India during business hours on any business days (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC;
- Trust Deed and amendments thereto, if any;
- Agreement between the Mutual Fund and Custodian;
- Consent of Auditors to act in the said capacity;
- Investment Management Agreement;
- Mutual Fund Registration Certificate;
- Agreement with Registrar and Transfer Agent;
- Indian Trust Act, 1882; and
- SEBI (Mutual Funds) Regulations, 2026 and amendments from time to time thereto.

E. Investor Grievance Redressal Mechanism

Investors may contact any of the Investor Service Centers (ISCs) of the AMC for any queries/clarifications.

Investors may contact at toll free number 1800 570 3330; or
Email: support@lakshyafunds.com

In case, query remains unresolved, please contact:
Mr. Swapneel Shah – Investor Relations Officer
Lakshya Asset Management Private Limited
Commerce House – 4, 03rd Floor, 100 Feet Road, Anand Nagar, Ahmedabad – 380 015, Gujarat, India.
Email: swapneel@lakshyafunds.com

SCORES

SCORES is an online grievance redressal facilitation platform provided by SEBI. Complainants can lodge grievances pertaining to securities market against SEBI regulated entities like listed companies, registered intermediaries and market infrastructure institutions. Investors shall first take up their grievances for redressal with the entity concerned, through their designated persons/officials who handle issues relating to compliance and redressal of investor grievances.
Investors can also register their complaint/grievances on the SCORES portal at https://scores.sebi.gov.in, which is developed by SEBI through their web portal.

How SCORES works

Register on Scores – Fetch details from KYC Registration Agency or fill the Registration Form.

Lodge Complaint – Select appropriate category of complaint, nature of complaint and name of the SEBI regulated entity (i.e. Listed Company/ Registered Intermediaries/ Market Infrastructure Institutions).

Track Status – Track the status of complaint. Please note that automatic reminders are sent to entities for timely resolution of complaint.

Seek Review – Two level review system. Seek review of your complaint within 15 days from date of receipt of ATR from the entity for First Level review and 15 days of receipt from Designated Body for Second Level review.
The investors' complaints history for the last three fiscal years of existing schemes and the redressal mechanism thereof is not applicable for the AMC since this is the first scheme to be launched by the company.

Online Dispute Resolution (ODR)

In accordance with SEBI Master Circular with respect to Online Resolution of Disputes in the Indian Securities Market, a common Online Dispute Resolution (“ODR”) Portal has been launched in order to harness online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. The said Master Circular along with the link to the ODR Portal viz. https://www.smartodr.in has been displayed on our website for the convenience of unitholders/ investors.

F. Information pertaining to investment by schemes of the Fund

i. Provision on creation of segregated portfolio/side pocketing

To ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI has permitted creation of segregated portfolio of debt and money market instruments by Mutual Funds schemes.

Creation of segregated portfolio shall be optional and at the discretion of the AMC. It should be created only if the Scheme Information Document (SID) of the scheme has provisions for segregated portfolio with adequate disclosures. All new schemes should have the enabling provisions included in the SID for creation of segregated portfolio.

Segregated Portfolio

In event of default, AMC is permitted to opt for creation of segregated portfolio as per the guidelines issued by SEBI.

The term 'segregated portfolio' shall mean a portfolio, comprising of debt or money market instrument affected by a credit event (default), that has been segregated in a Mutual Fund scheme(s). The term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio and the term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

Credit Event

AMC may create segregated portfolio in a Mutual Fund scheme subject to the following:

a. Segregated portfolio may be created, in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

- Downgrade of a debt or money market instrument to 'below investment grade'; or
- Subsequent downgrades of the said instruments from 'below investment grade'; or
- Similar such downgrades of a loan rating.

b. In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as detailed above and implemented at the ISIN level.

c. Segregated portfolio of unrated debt or money market instruments may be created only in case of actual default of either the interest or principal amount. Actual default by the issuer of such instruments shall be considered as credit event for creation of segregated portfolio.

d. The AMCs shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments of the said issuer.

e. Further, Asset Management Companies/Valuation Agencies shall ensure that the financial stress of the issuer and the capabilities of issuer to repay the dues/borrowings are reflected in the valuation of the securities from the trigger date onwards.

f. AMCs shall have a detailed written down policy on creation of segregated portfolio, same shall be approved by Trustees.

Process for creation of Segregated Portfolio

a. The AMC shall decide on the creation of a segregated portfolio on the day of the credit event.

b. In case it decides to segregate the portfolio, it shall:

- Seek approval of Trustee prior to the creation of the segregated portfolio.
- Immediately issue a press release disclosing its intention to segregate such debt and money market instruments and their impact on the investors. The Mutual Fund will also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release shall be prominently disclosed on the website of the Mutual Fund.
- Ensure that until the time the Trustee approval is received, which in no case shall exceed 1 business day from the day of the credit event, the subscription and redemption in the scheme shall be suspended for processing with respect to the creation of units and payment on redemptions.

c. Once trustee approval is received by the AMC:

- Segregated portfolio shall be effective from the day of the credit event.
- The AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio. The said information shall also be submitted to SEBI.
- An e-mail or SMS should be sent to all unit holders of the concerned scheme(s).
- The NAV of both segregated and main portfolios shall be disclosed from the day of the credit event.
- All existing investors in the scheme as of the day of the credit event shall be allotted an equal number of units in the segregated portfolio as held in the main portfolio.
- No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in the segregated portfolio, AMC shall enable listing of units of the segregated portfolio on the recognized Stock Exchange(s) within ten business days of creation of the segregated portfolio and also enable transfer of such units on receipt of transfer requests.

d. If the trustees do not approve the proposal to segregate the portfolio, AMC shall issue a press release immediately informing investors of the same.

<u>Valuation and processing of subscriptions and redemptions</u>

Notwithstanding the decision to segregate the debt and money market instrument, the valuation should consider the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e., realizable value of the assets) in terms of the relevant provisions of SEBI (Mutual Funds) Regulations and circular(s) issued thereunder. All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable will be processed as per the provisions on applicability of NAV as under:

a. Upon Trustees' approval to create a segregated portfolio –

- Investors redeeming their units will get redemption proceeds based on the NAV of the main portfolio and will continue to hold the units of the segregated portfolio.
- Investors subscribing to the scheme post-creation of the segregated portfolio will be allotted units only in the main portfolio based on its NAV.
- No redemption and/or subscription shall be allowed in the segregated portfolio.
- Units of the segregated portfolio shall be listed on a recognized Stock Exchange(s).

b. In case Trustees do not approve the proposal of a segregated portfolio, subscription and redemption applications will be processed based on the NAV of the total portfolio.

c. On the said trigger date, AMC may, at their option, create a segregated portfolio in the Mutual Fund scheme subject to compliance with provisions of Paragraph 5.5 of SEBI Master Circular dated March 20, 2026 and any other relevant Regulations/Circulars/Guidelines issued from time to time.

Disclosure Requirement

In order to enable existing & prospective investors to take informed decisions, the following shall be adhered to:

a. A statement holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 business days of creation of the segregated portfolio.

b. Adequate disclosure of the segregated portfolio shall appear in all scheme-related documents, in monthly and half-yearly portfolio disclosures, and in the annual report of the Mutual Fund and the scheme.

c. The Net Asset Value (NAV) of the segregated portfolio shall be declared on every business day.

d. The information regarding the number of segregated portfolios created in a scheme shall appear prominently under the name of the scheme at all relevant places such as SID, KIM-cum-Application Form, advertisement, the AMC and AMFI Websites.

e. The scheme performance required to be disclosed at various places shall include the impact of creation of segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.

f. The disclosures at paragraphs (d) and (e) above regarding the segregated portfolio shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/written-off.

g. The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

TER of the Segregated Portfolio

AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro rata basis only upon recovery of the investments in segregated portfolio.

The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on a daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.

The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC. The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Monitoring by Trustees

In order to ensure timely recovery of investments of the segregated portfolio, Trustees shall ensure that:

a. The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
b. Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
c. An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every Trustee meeting till the investments are fully recovered/written-off.

d. The Trustees shall monitor the compliance with the guidelines issued by SEBI regarding segregation of portfolio in Mutual Fund schemes and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect of every segregated portfolio created.

In order to avoid misuse of segregated portfolio, Trustees shall ensure to have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officers (CIOs), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the scheme.

The existence of the provisions for segregated portfolio should not encourage the Fund Managers to take undue credit risk in the scheme portfolio. Any misuse of the provisions of segregated portfolio, would be considered serious and stringent action may be initiated.

Risk associated with segregated portfolio

Following are the risks associated with segregated portfolio:

a. Investor holding units of segregated portfolio may not be able to liquidate their holding until the time of recovery of money from the issuer;
b. Security(ies) held in segregated portfolio may not realize any value; and
c. Listing of units of segregated portfolio in a recognized Stock Exchange(s) does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Furthermore, the trading price of units on the stock market may be significantly lower than the prevailing NAV.

Illustration of Segregated Portfolio

Portfolio Date	20th September 2024
Downgrade Event Date	20th September 2024
Downgrade Security	7.32% ABCD Limited 2026 from CRISIL AA+ to D
Valuation Marked Down	25%

Marked down to 25% on the date of credit event. Before being marked down the security was valued at Rs. 100.0356 per unit on the date of credit event i.e. on September 20, 2024. NCD of 7.32% ABCD Limited 2026 will be segregated as a separate portfolio.

Notes:

1. *AMCs shall inform AMFI immediately about the actual default by the issuer. Upon being informed about the default, AMFI shall immediately inform the same to all AMCs. Pursuant to dissemination of information by AMFI about actual default by the issuer, AMCs may segregate the portfolio of debt or money market instruments of the said issuer.*
2. *Further, Asset Management Companies/Valuation Agencies shall ensure that the financial stress of the issuer and the capabilities of the issuer to repay the dues/borrowings are reflected in the valuation of the securities from the trigger date onwards.*

G. Stamp Duty

Investors/unit holders are requested to note that pursuant to Notification No. S.O. 1226(E) and G.S.R 226 (E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance, Government of India, read with Part I of Chapter IV of The Finance Act, 2019, notified on February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India, a stamp duty @0.005% of the transaction value would be levied on applicable Mutual Fund transactions (including transactions carried through Stock Exchange/s and Depositories for units in Demat mode). Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase/switch transactions (including reinvestment/transfer of amounts under IDCW option i.e., IDCW reinvestment/transfer) to the investors/unit holders would be reduced to that extent.

Further, w.e.f. July 1, 2020, stamp duty shall be applicable @ of 0.015% on the consideration amount stated in the transfer instrument for off market transfer of units held in Demat mode as well units held in physical mode.

X. DISCLOSURES AND REPORTS BY THE FUND

A. Account Statement / Consolidated Account Statement (CAS)

An applicant whose application has been accepted shall have the option to receive units either in the statement of accounts mode or in the dematerialized mode. The AMC shall, in the mode of holding specified by the investor, credit the Mutual Fund units to investor's account immediately upon allotment of units.

For investors holding units in non-demat mode: The AMC shall issue to such applicant, a statement of accounts specifying the number of units allotted to the applicant as soon as possible but not later than five working days from the date of receipt of the application.

An allotment confirmation specifying the number of units allotted will be sent to the unit holders by way of email and/or SMS to the registered e-mail address and/or mobile number, within 5 business days from the date of application and/or from the date of receipt of the request from the unit holders. In case of any specific request received from the unit holder(s), the AMC/Fund will provide the account statement to the unit holder(s) within 5 business days from the receipt of such request.

A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.

Allotment Advice (for investors holding units in dematerialized mode): Allotment advice will be sent upon allotment of units stating the number of units allotted to each of the unit holder(s) who have opted for allotment in dematerialized mode within 5 working days from the date of the application. The units allotted will be credited to the DP account of the unit holder as per the details provided in the application form.

Units in dematerialized form shall be issued to a unit holder in a scheme within two working days of the receipt of request from the unit holder.

For ongoing purchase transactions, units will be credited to the investors demat account upon realization of funds. Units will be allotted as per applicable NAV for subscriptions/purchases as mentioned in the SID. For ongoing transactions there is no separate communication sent to the customers holding units under Demat mode.

Dematerialization/Rematerialization of units, if any will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 2018 as may be amended from time to time.

Allotment of units and dispatch of account statements to NRIs/FPIs will be subject to RBI's general permission dated 30 March 1999 to Mutual Funds, in terms of Notification No. FERA 195/99-RB or such other notifications, guidelines issued by RBI from time to time.

Consolidated Account Statement (CAS)

CAS for each calendar month will be issued to investors in whose folio(s), transactions* have taken place during the month and who have provided a valid Permanent Account Number (PAN) as per following timelines:

CAS	Timeline
Monthly CAS – to those investors in whose folios, transactions have taken place during the month and who have provided a valid Permanent Account Number (PAN)	In case of investors who have opted for delivery via electronic mode, monthly CAS shall be dispatched by the 12th day from the month end.

	In case of investors who have opted for delivery via physical mode, CAS shall be dispatched by the 15th day from the month end.
Half Yearly CAS – to those investors where no transaction has taken place in a folio during the period of six months ended March 31 and September 30	In case of investors who have opted for delivery via electronic mode, CAS shall be dispatched by the 18th day of April and October. In case of investors who have opted for delivery via physical mode, CAS shall be dispatched by the 21st day of April and October.

CAS shall generally be dispatched via email, however, in case investor does not wish to receive CAS through email, option shall be available to the investors to receive CAS in physical form at the address registered with the Depositories and the AMC/RTA. In the event that the registered email address of the unit holder is not available with the Fund, CAS will be sent as a physical statement. CAS shall contain details relating to all transactions* carried out by the unitholder across schemes of all Mutual Funds during the month and holdings at the end of the month.

For the purpose of sending CAS, common unitholders across Mutual Funds shall be identified by their PAN. In the event that the folio has more than one registered unitholder, the first named holder will receive the CAS. The CAS shall not be received by those unitholders whose folio(s) are not updated with PAN details. Unitholders are therefore requested to ensure that each of their folio(s) is updated with their PAN details. In case a specific request is received from the unitholder, the AMC/Fund will provide the account statement to the unit holder(s) within 5 business days from the receipt of such request.

For folios not included in the CAS, the AMC shall henceforth issue an account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios on or before the 15th day of succeeding month.

In the case of joint holding in a folio, the first named unit holder shall receive the CAS/account statement. The holding pattern has to be the same in all folios across Mutual Funds for CAS.

Each CAS issued to the investors shall also provide the total purchase value/cost of investment in each scheme. Further, CAS issued for the half-year (March/September) shall also provide:

a. The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts/rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods and Services Tax (wherever applicable, as per existing rates), operating expenses, etc.

b. The scheme's average Total Expense Ratio (in percentage terms) along with the breakup between Investment and Advisory fees, commission paid to the distributor and other expenses for the period for each scheme's applicable plan where the concerned investor has actually invested in.

Such half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

In case of the units are held in dematerialized (demat) form, the statement of holding of the beneficiary account holder will be sent by the respective Depository Participant periodically.

*The word 'transaction' includes purchase, redemption, switch, payout of IDCW, reinvestment of IDCW, SIP, STP and SWP.

CAS for investors having Demat Account

1. Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository.

2. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding. The CAS shall be generated on a monthly basis.

3. If there is any transaction in any of the Demat accounts of the investor or in any of his Mutual Fund folios, Depositories shall send the CAS within ten days from the month end. In case there is no transaction in any of the Mutual Fund folios and Demat accounts then CAS with holding details shall be sent to the investor on a half yearly basis.

4. In case an investor has multiple accounts across two Depositories, the Depository with whom the account has been opened earlier will be the default Depository.

   The dispatch of CAS by the Depositories would constitute compliance by the AMC/the Mutual Fund with the requirement under Regulation 34 of SEBI (Mutual Fund) Regulation, 2026.

   However, subject to the provisions of SEBI (Mutual Fund) Regulation, 2026 as amended from time to time and circulars issued thereunder, the AMC reserves the right to furnish the account statement in addition to the CAS, if deemed fit in the interest of investor(s).

Receiving Account Statement/Correspondence by e-mail

Mutual Fund will encourage the investors to provide their e-mail addresses for all correspondence. The Mutual Fund's website may facilitate requests for account statement by unitholders. The Mutual Fund will endeavor to send account statements and any other correspondence including annual reports using e-mail as the mode for communication as may be decided from time to time.

Unitholder will be required to download and print the account statement after receiving the e-mail from the Mutual Fund. Should the unitholder experience any difficulty in accessing the electronically delivered account statement, the unitholder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. Failure to advise the Mutual Fund of such difficulty within 24 hours after receiving the e-mail will serve as an affirmation regarding the acceptance by the unitholder of the account statement.

In case an investor who has provided an e-mail address and opted for electronic mode of receipt of account statements and other updates wishes to change over to the physical mode, he would need to provide a written request to any of our official points of acceptance. Please note that such a request will be treated as a non-financial transaction and processed within 3-5 business days from the date of submission.

It is deemed that the unitholder is aware of all security risks including possible third-party interception of the account statements and content of the account statements becoming known to third parties.

Under no circumstances, including negligence, shall the Mutual Fund or anyone involved in creating, producing, delivering or managing the account statements of the unitholders be liable for any direct, indirect, incidental, special or consequential damages that may result from the use of or inability to use the service or out of the breach of any warranty. The use and storage of any information including, without limitation, the password, account information, transaction activity, account balances and any other information available on the unitholder's personal computer is at the risk and sole responsibility of the unitholder.

B. Portfolio Disclosures

The Mutual Fund will disclose the portfolio (along with ISIN) in a user-friendly and downloadable spreadsheet format, as of the last day of the month/half year for all their schemes, on its website www.lakshyafunds.com and on the website of AMFI (www.amfiindia.com) within 10 days from the close of each month/half year.

Disclosure of the risk-o-meter of the scheme, benchmark, and portfolio details to the investors will be made as mandated by provision no. 6.17 of the Master Circular dated March 20, 2026. In addition to the monthly portfolio, the Mutual Fund shall also disclose a fortnightly portfolio for debt schemes within 5 days of every fortnight as per provision no. 6.1 of the Master Circular dated March 20, 2026.

In case of unitholders whose email addresses are registered, the Mutual Fund will send via email both the monthly and half-yearly statement of the scheme portfolio within 10 days from the close of each month/half year, respectively.

Further, AMC shall publish an advertisement in an all-India edition of one national English daily newspaper and in one Hindi newspaper every half year, disclosing the hosting of the half-yearly statement of its scheme's portfolio on the website of the Mutual Fund and AMFI. AMC will provide a physical copy of the statement of its scheme's portfolio without charging any cost, on specific request received from a unitholder.

C. Half Yearly Results

AMC shall, within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited financial results on its website and AMFI website in the format specified in Ninth Schedule of SEBI (Mutual Funds) Regulations 2026.

Mutual Fund/AMC shall publish an advertisement disclosing the hosting of such financial results on their website, in at least one English daily newspaper having nationwide circulation and, in a newspaper, having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.

D. Annual Report

The Annual Report or Abridged Summary, in the format prescribed by SEBI, will be hosted on AMC's & AMFI website.

An advertisement shall also be published in the all-India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme-wise annual report.

Scheme-wise annual report or an abridged summary thereof, in the prescribed format, shall be sent to the investor's registered e-mail address not later than four months from the date of closure of the relevant financial year (31st March) each year under:

- By email to the unitholders whose email address is available with the Mutual Fund;
- In physical form to the unitholders whose email address is not available with the Fund and/or to those unitholders who have opted/requested for the same.

The AMC shall provide a physical copy of the abridged summary of the Annual Report without any cost if a specific request through any mode is received from a unitholder.

Full Annual Report shall be available for inspection at the Head Office of the Mutual Fund, and a copy thereof shall be made available to unitholders on payment of such nominal fees as may be specified by the Mutual Fund.

This Statement of Additional Information ("SAI") will be uploaded by the Mutual Fund on its website and on AMFI website. The printed copy of the SAI will be made available to any investor on specific requests being made.

The SAI shall be updated within 3 months from the end of the financial year and filed with SEBI. Any material changes in the SAI shall be made on an ongoing basis by way of updates on the website of the Mutual Fund and AMFI. SEBI shall also be intimated of the changes made in the SAI within 7 days.

Notwithstanding anything contained in this SAI, the provisions of the SEBI (Mutual Fund) Regulation, 2026 and the guidelines thereunder shall be applicable.